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THE LIFE AND TIMES OF LORD STRATHCONA

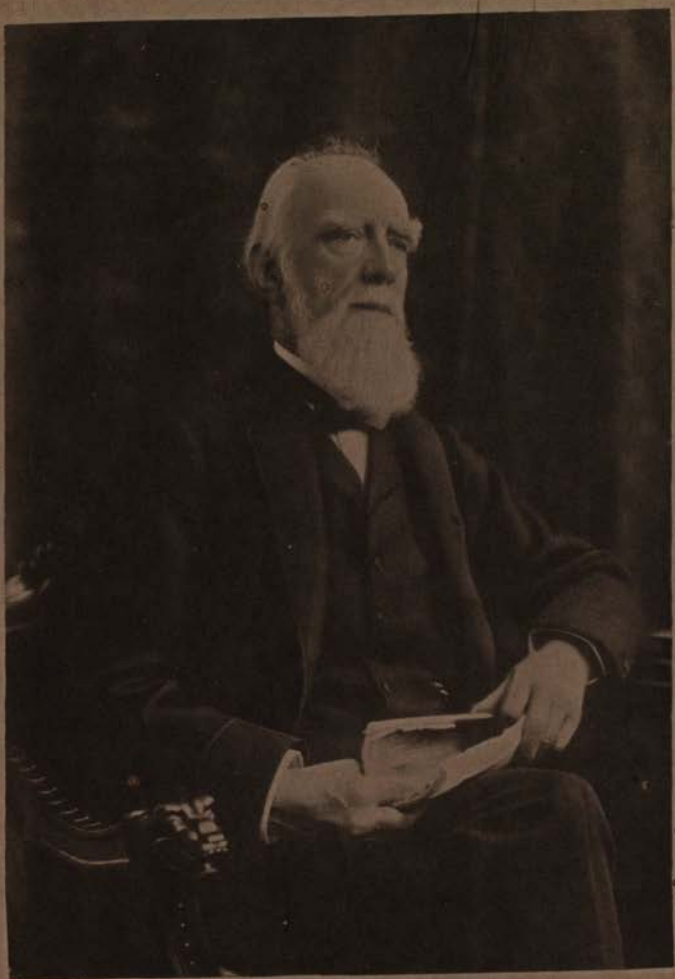

Photo. Notman.

Lord Strathcona.

THE LIFE AND TIMES OF LORD STRATHCONA

BY

W. T. R. PRESTON

LATE COMMISSIONER OF EMIGRATION TO GREAT BRITAIN AND COMMISSIONER OF TRADE TO SOUTH AFRICA, JAPAN, KOREA, HOLLAND AND SCANDINAVIA

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"You do not know the genius of that man's country, sir," answered Rashleigh, "discretion, prudence, and foresight are their leading qualities. These are only moderated by a narrow spirit but yet ardent patriotism, which forms, as it were, the outpost of the concentric bulwarks with which a Scotchman fortifies himself against all the attacks of a generous philanthropical principle. Surmount this mound, you will find an inner and still dearer barrier—the love of his province, his village, or, most probably, his clan; storm the second obstacle, you have a third—his attachment to his own family —father, mother, sons, daughters, uncles, aunts, and cousins to the ninth generation. It is within these limits that a Scotchman's social affection expands itself, never reaching those which are outermost till all the means of discharging itself in the interior circles have been exhausted. It is within these circles that his heart throbs, being fainter and fainter, till, beyond the widest boundary, it is almost unfelt. And, what is worst of all, could you surmount all those concentric outworks, you have an inner citadel, deeper, higher, and more efficient than all—a Scotchman's love for himself."

SIR WALTER SCOTT: *Rob Roy.*

On the last Monday in January, 1914, the great doors of Westminster Abbey were thrown open for a Service on all that was mortal of Donald Alexander Smith, first Baron Strathcona and Mount Royal.

The dull misty atmosphere of a winter's day added to the sombreness and solemnity within the vast Abbey.

The memory of ten centuries of England's illustrious dead haunted the scene. Representatives of the Crown, the Peerage, the Commons, the wealth of London, and a great congregation representing the Empire, surrounded the purple pall.

It was a long journey from the Covenanters' rugged Kirk in a little village in the north of Scotland, fourscore and ten years previously, to this ancient Temple of Peace and Reconciliation—from the Shorter Catechism to the magnificent Ritual of the Established Church.

Life is but a Book of White,
Wherein each one of us must write
Until the end—then sudden night.

THE LIFE AND TIMES OF LORD STRATHCONA

PART I.

I

Arrival in Canada—Rebellion in progress—Journey to Labrador—World's jumping-off place—The little girl passing Ottawa—A strange romance—Authority of chief officials—Military discipline—Foundation of fortune.

THE most important figure in the public life of Canada since 1870, although not always in the public eye, has undoubtedly been Lord Strathcona. It was not until long after he had become an unseen power that the people began to realize his influence. For forty years his personality stands out in every political crisis in the Dominion. He has had far more to do with the defeat and victory of political parties since Confederation than all other influences combined. The manner in which he moulded the tone and character of the political life of the country, as well as its Parliamentary legislation, is unique. It cannot be said that his object was evident when he first appeared on the scene, although undoubtedly his own mind was clear about the end in view. So successfully did he control the

leaders of political thought, that immense fortunes were accumulated as the direct result of his influence in the Federal and Provincial Legislatures of the country. On many important occasions Parliament, without being aware of the fact, simply registered his decrees.

Donald A. Smith, when a lad seventeen years of age, landed at the port of Montreal in a supply ship owned by an association of traders known as the Hudson's Bay Company, and took up the duties of a minor clerk in the employment of this Company in the desolation of Labrador. He left his native land a few months after the last of the kings of the Hanoverian dynasty had given place to a young Queen. Behind him was peace and contentment. In the new land a colony was seething with unrest and even open rebellion. Numerous and powerful sections in Canada were up in arms against constituted authority, as represented by officialism and "Family Compacts," the leader of the rebels in the English province of Upper Canada being a fellow-Scotchman. The young immigrant lived to see the demands of the "rebels" to rule the country by popular Government conceded by the Queen, and also saw the leaders of the movement occupying well-deserved positions of honour and trust in the confidence of the Crown and the people. Some of these rebels, under more happy circumstances, became his warmest personal friends.

The Hudson's Bay Company was formed in 1670 with a charter from Charles II to Prince Rupert and

seventeen other noblemen and gentlemen, as the "Governor and Company of Adventurers of England trading into Hudson Bay. To the Company was secured the sole trade and commerce of all those seas, straits, bays, rivers, lakes, creeks and sounds . . . that are not already actually possessed by or granted to any of our subjects, or possessed by the subjects of any Christian state."

The 1200 mile journey from Montreal to the barren shores of Labrador severely tested Donald A. Smith's willingness to remain with the Company, but there was no possibility of retracing his steps. What it was in 1838 can scarcely be imagined. Even to-day Labrador is the world's jumping-off place. He was going to a place where only once a year would tidings reach him from the outside world. His companions for the greater part would be Indians and wild fowl, the stoicism of the one and the plaintive note of the other emphasizing the almost overwhelming sense of desolation.

The vast territory controlled by the Company covered an area of more than two million square miles in British North America, and was peopled largely by utterly uncivilized Indians. Early in the seventeenth century the Jesuits had formed the first noble band of devoted self-sacrificing missionaries who pressed their way with the story of the Cross to that distant interior, but they were only partially successful upon a fringe of the roving population. The majority continued their heathen practices until comparatively

recent times. Into the eastern part of this vast region, "Donald A.," as he subsequently became familiarly known, plunged to seek his fortune.

The son of poor but industrious parents living at Forres in the north of Scotland, he started off in 1838, and taking with him a small outfit that could be easily looked after, engaged in the service of the Company at £20 a year. Although quite a lad, he was fairly tall for his years, and straight as an arrow. His features were rather heavy and unattractive, except for the force of character glowing in his clear blue eyes, and his head was crowned with a thick growth of light brown hair. There was nothing, however, about his general appearance foreshadowing the power and influence that he was destined to exert in the new country long before that century should close.

By a remarkable coincidence just about this time a Hudson's Bay Officer named Hardisty, who had married in the far west, was making his way to Labrador through the waterways between the Georgian Bay and the river St. Lawrence. He marked out the same route that will at no distant date be traversed by the Great Georgian Bay Canal. He was accompanied by his family and a considerable number of attendants. They travelled in a dozen large birch-bark or Indian canoes, which had to be portaged through the forests to navigable waters when rapids or falls obstructed their passage. This no mean feat occupied a good part of that hazardous journey. In this company was a gentle, interesting little girl of

twelve or fourteen years, whose constant companion was a young wild fowl that had been captured early in the journey, and which she had completely tamed. Perhaps the good fairies were then weaving the threads of the strange romance which entwined her life with the young Scotch lad's, then on his way to carve out a future in the new world. She became his wife by the rites of Labrador, as no recognized legal facilities existed for a marriage ceremony. The formal marriage, according to the ritual of the Established Church, took place more than half a century later in the British Embassy in Paris. This was officially announced after Lady Strathcona's death. Seventy years after that long canoe journey, when the little girl had become the centre of a great social circle in London, surrounded with all that wealth and luxury could supply, she still recalled the delight of that early experience in travelling, and had a vivid recollection of the rugged grandeur of the great bluffs upon which now stand the Parliament Buildings overlooking the Ottawa river, and the wild beauty of the primeval forests and majestic rivers of the vast country through which she had journeyed as a small child, accompanied by her great white-winged pet.

In the various positions that Donald A. Smith filled in the work of the Company, from the bleak and inhospitable coast of Labrador to the Hudson Bay, and then across a vast monotonous stretch of country to the foot of the Rocky Mountains, the years moved slowly that witnessed his promotion to

Factor, or Superintendent, over the many forts or trading posts scattered through the western district. In this position he was able to exercise appreciable influence in the territory allotted him, together with a distinct increase in authority over the minor employees of the Company, far beyond that which he had previously wielded.

While appointment to positions of greater responsibility was largely directed by seniority, the final confirmation in all cases had to come from the Board in London, where the record of every officer was kept with great care.

To Donald A.'s comparative youth no objection was taken by the head office, as his record in the books of the Company was all that could be possibly desired. The position of Factor was one of considerable responsibility. This officer was absolute ruler in his own district, not only in dealing with his subordinates, but with the native tribes as well. Like the Centurion of old, the Factor's commands must be obeyed. No one could question his control. The isolated situation of the officers naturally fostered autocracy on the part of the chief, there being none of the subduing influences that come from contact with large numbers of one's own caste. This self-assertive tendency was encouraged by the Company rather than otherwise. It brought about a spirit of military discipline that was much desired; also, it formed a barrier against too intimate relations between superior officers and their subordinates, which, if allowed to exist to any

great extent, might result in the spread of a system of dishonesty in the trading operations of the Company.

It is not surprising that there were some veritable tyrants among the factors who did not hesitate, when strong personal reasons existed, to send objectionable subordinates on dangerous missions. There are two or three instances on record of these who, instead of going into regions to which they had been ordered, and which were reputed to be veritable death-traps, slipped quietly away to seek employment with a similar association of traders in the United States. Then, twenty or thirty years after their supposed death, they unexpectedly returned, having, meantime, reached official and financial positions enabling them to defy their old tyrants, and prove that neither by time nor absence had official or domestic wrongs been forgotten.

Opportunities were sometimes taken advantage of by officers to trade on their own account with the Indians, although usually all profits from buying or selling were claimed by the superior officers for the Company. As one of the most prominent in authority, Donald A. Smith secured the confidence of his fellow-officers, and was entrusted by them with their savings for investment. Up to this time the officers had been accustomed to draw their salaries once a year. Donald A. got them to give him authority to draw their cheques every month. This obviously gave him control of large sums of money, and made him an important personage in banking circles. The only

stipulation his fellow-officers made was that they should receive a small annual interest of three per cent. Donald A.'s duties rendered it necessary that he should frequently visit Montreal for the Company. In the early years, when he had to go to Fort Garry, this necessitated an overland journey of more than one thousand miles before connection could be made with the eastern railway system of the United States, by which the Grand Trunk Railway could be reached.

During one of these visits to the commercial capital of Canada he was persuaded to invest his savings in the stock of the Bank of Montreal. This stock in a few years largely increased in value. Foreseeing this with his usual shrewdness, he also invested the moneys entrusted to him by his associates.

In course of time, consequently, his name ranked among the largest shareholders in the Bank of Montreal, and as a natural result he was elected to a directorship. The confidence thus shown, as well as the honour conferred on him, was a fitting recognition of his personal interest in the Bank. His introduction did not prove an inconvenience to the other directors, inasmuch as his frequent and extended absence on the Company's business did not allow him to attend the meetings of the Board with regularity. His active interest in the management developed in later years in a manner which must always remain unique in the history of the great monetary institutions of the country. As one after another of the officers of the Company wanted to withdraw their deposits from his

care, they were promptly paid out of his private means. Through the savings of his colleagues and his investments in this way, was laid the foundation of his fortune.

In the Company one promotion followed another, and owing to a chance visit to London, where he created a most favourable impression at the head office of the Company, he was given promotion at an important juncture over several of his seniors in office. Eventually he found himself, at the time the Company's territorial interests passed under the control of the Government of Canada, installed at Fort Garry, the present site of Winnipeg, as Resident-Governor of the Company, exercising absolute sway over that vast tract of land which extended from Hudson Bay to the foot of the Rocky Mountains—an area greater than France, Germany, Austria, Hungary, Scandinavia, Holland and Belgium combined. To this important position he was appointed in 1869.

II

The Hudson's Bay Company's secret—Explorers and rival traders—Suspicion of the Indians—George Brown and the Company's possessions—Statesmanlike treatment of the red race—Domestic relations—Purchase by Canada.

For many years little interest had been taken by Old Canada in the Great Lone Land of Western British North America. In the Canadian schools as late as the decade between 1860 and 1870 it was taught that the Hudson's Bay Territory was as uninhabitable as the Sahara Desert, only instead of being barren sand, it was believed to be largely covered with ice and snow. Greenland was, in fact, looked upon as offering a more suitable field for exploration. Nothing was left undone by those charged with the administration of the affairs of the Hudson's Bay Company to confirm this impression. Officers of the Company were not allowed to communicate the facts about the natural resources of that boundless territory to their friends. The censorship that was continually exercised over the contents of private and confidential letters was such as would have suited the most extreme military martinet in time of war. There was nothing that was allowed to escape the vigilant eye of the Company in the earlier days. The heavier the seal or crest that was

expected to ensure secrecy, the more did the letter become an object of suspicion, and the more unlikely was it to reach its destination without the contents becoming known. In so far as the civilized world was concerned, the Company intended that the North-west of British America should be a sealed book.

It must not be overlooked that the treatment of the Indians by the Company during the long period that they have held unlimited sway in the Great West is worthy of the best traditions of British statesmanship. The Indians were recognized as belonging to humanity and having unquestionable rights to life and property. This recognition on the part of the officials of the Company brought about a sense of confidence and trust in the British flag among all the tribes. That the patience and wisdom of the Company's servants was frequently severely tested, the records of the Company prove. The contrast that has ever marked the treatment of the Indians in the United States by the authorities, and that which the tribes received under the British Government can never be forgotten. The one is marked by rapine and massacre—the other by peace and order.

Bancroft, the American historian, states "that the officers and servants of the Hudson's Bay Company were as much gentlemen by instinct in their treatment of Indians, as in their treatment of civilized men and women. Wherever they had the country entirely to themselves there was little trouble with the natives. Their management of them was perfect. They

treated them first of all as human creatures, not as wild beasts; they were to them as children, not the enemy of civilization. In their intercourse they were humane, in their dealings honest. Offences were followed by justice, not revenge. . . . In this connection, however, the Dominion must never forget the great and valuable services rendered by the missionaries of the Roman Catholic and Protestant faiths, and of the beneficial influence exercised by those zealous men over the natives of the former chartered and licensed territories of the Hudson's Bay Company."

The domestic relations of the Hudson's Bay officials was the natural consequence of their restricted surroundings. This phase of personal experience is not peculiar to the territory of the Hudson's Bay Company. It is the history of the human race from the dawn of time.

> "And it came to pass, when men began to multiply on the face of the earth, and daughters were born unto them, that the sons of God saw the daughters of men that they were fair; and they took them wives of all which they chose."

Race, colour, or creed has never been an insurmountable obstacle between the human sexes. From the Elamites to the Romans, from the Cæsars to the present day, the same story is told. The march of European civilization is marked by the advent of the Eurasian and the Half-breed. Among the most noticeable have been the English and French mar-

riages in India, the Dutch in Java and South Africa, the Spanish in the tropics of North America, the New Zealander with the Maori, the American and the Negro, and the Hudson's Bay Company officials with the Indian tribes of the Great West.

In his restricted vision the average Englishman endeavours to convince himself that the people of these Islands are the salt of the earth; forgetful that a certain degree of self-assurance may have not a little to do with the claim, so ill-founded after all, to this nation being the only high moral type in existence. The fact is indisputable that every nation or people has its classes of high and low degree. If courage, diplomacy, ability to govern, and added thereto the inspiration of patriotism for home and race, is the standard by which human greatness be measured, then the difference between the dark-skinned races and the whites is of but slight degree. Nevertheless, the general prejudice against the infusion of coloured blood in the Caucasian family is a factor in human history that can never be entirely overlooked. The fear of reversion to type, whether justified or not, is ever present.

The Hudson's Bay Company officials, however, had no special convictions on this point. In fact there was every possible reason why there should be none. They were surrounded by a virile, healthy, sturdy type of humanity. They were isolated from their kindred, and there was no indication that things would ever change. The Company took no steps to emigrate the

gentler sex from Europe to the distant continent. It was not dreamed that the five months' weary journey could ever be shortened to five days. The natural consequences, therefore, were inevitable. Half-breeds became a recognized element throughout the territory. But as generation succeeded generation, marrying, as they almost invariably did, with the scattered white population, the evidence of ancestry almost disappeared in many families. The sons and daughters were educated in the schools provided by the Church, and they became thoroughly Caucasian in thought and custom.

It should not be forgotten that the character or standing of the North American Indian in the seventeenth and eighteenth centuries, when the greater number of the original marriages between the representatives of the Company and the daughters of the Indians took place, was entirely different from the Indian of the present time. Then he was a warrior, brave and bold, and not beholden to the bounty of the State for his existence. He disputed the right of the white man to the possession of his heritage. For the sake of his wigwam and his tribe he guarded the Passes of the Alleghanies against the march of the early settlers. He fought side by side with the British forces against the revolting colonists in the War of Independence. He was a diplomatist, entering into treaties with rival tribes, the survival of the fittest being then as now the only recognized authority. He was a hunter, roaming a vast continent, probably

living a more highly moral life than his white brother in European centres, and punishing immorality with a severity that we can only characterize as the acme of cruelty.

To be a descendant from a race of that character may have its disadvantages, but it furnishes no cause for regret, except that of secret vanity. The demoralizing influences of civilization had not then reached the great prairies of the west. The Caucasian, however, was coming with his superior weapons of offence and defence to assert his supremacy. It is indeed a sad commentary upon a boasted civilization that the degeneration of ancient and noble races has so frequently followed this current of events. The Kaffirs who labour in the mines of South Africa carry to their kraals the seeds of moral and physical disability to decimate the race, just as the noble type of North American Indian has given place to a sickly, diseased type of humanity, since coming in contact with the people who succeeded the Hudson's Bay Company in the western prairies.

The Englishman's prejudice is naturally strong against a fusion of the races, and there are always those on hand to stir up the latent fires. The demand that the Empire shall be reserved for the Englishman if possible, but that it must be held for the white man at all hazards, appeals to the populace. Better to leave great natural resources, that might add enormously to the wealth of the Empire, undeveloped, than allow the work to be done with other than white

labour, though climatic conditions may be such that the white man cannot exist in such surroundings. Upon this declaration as a nation we are pinning our faith. In how far this prejudice of colour may prove a rock of offence in the pathway of the future of the Empire is a problem for statesmen to solve. At any rate, this prejudice did not appeal to many of the officials of Prince Rupert's company of traders and adventurers, and the world or the Empire seems none the worse.

Expeditions were undertaken from time to time to explore these vast regions, and companies had been organized to open up trade with the Indian tribes. These companies were encouraged and promoted mostly by merchants in Montreal. For many years the basis of a very profitable business by Montreal traders had been carried on with the Indians of old Canada, but with the opening up of the country, and the continually increased stream of settlement to the old provinces, this trade had gradually declined, so that the merchants were all the more anxious to establish permanent relations with the tribes in the Far West. The Hudson's Bay Company notified all concerned that it was their determination to prevent either trading or exploration by outside parties. It was, therefore, well understood that anything that might be accomplished was at the personal and financial risk of all concerned, and such enterprises might be met with open hostility of fire and sword.

The new business organizations were soon ruined

by the greater forces of the Hudson's Bay Company. The possible competition in trade and exploration that appeared to be looming on the horizon of the Great Lone Land was summarily crushed. But the individual traders and explorers were more persistent, having no interests to risk other than their own. It was not, however, until many were known to have gone into the vast region, of whom no tidings ever again reached the outer world, that direct efforts to overcome the tyrannical rule of the Company began. The Company claimed that the territory was a special preserve. This, it was asserted, was justified, (1) by the rights conferred under the Imperial Charter issued by Charles II; and (2) by the alleged fears that competition with other whites would have a tendency to unsettle the habits of the Indians, and might, perhaps, result in their latent fighting instincts being aroused.

Notwithstanding the efforts put forth by the Company, however, it was realized that, unless the active co-operation of the Indians could be secured, white trespassers would inevitably make inroads into the trade of the Territory. Steps were therefore taken to unite the tribes against all whites not officially connected with the Company. The means adopted were worthy of the object desired, but could only have been the outcome of an extraordinary disregard of the ordinary amenities of life. The Indians were told that these outsiders would rob and cheat them in the barter of their furs; and that the special object

of these intruders in coming into the territory was to kidnap the young squaws and sell or use them for immoral purposes. Nothing could have been more untrue. The reputations of the Montreal merchants stood exceedingly high in all their dealings with the Indians. The intruders could not afford for their own sakes, to be less honest or moral than the officials of the Company. But competition with outsiders meant that much higher prices would soon have to be paid to the Indians for all that they might have to sell.

Yet the Indians, naturally suspicious, readily accepted the suggestions given by the Company as sufficient justification for treacherously murdering white men who could not prove their connection with the Company. Missionaries tried their hardest to persuade the Indians not to carry out such a policy. But they were opposed by the medicine-men of the tribes, who saw, in accentuating the wishes of the Company, a chance to magnify their own importance, and perhaps weaken the adhesion of the christianized Indians to the Church. It is not surprising, therefore, that many whites who ventured into the Territory never returned to their friends, nor that not a few scalps decorated the wigwams of the Indians.

The policy of the Hudson's Bay Company, trading under the authority of a Royal Charter, was altogether different from that adopted by the East India Company and the Chartered Company of South Africa. The Hudson's Bay Company from its inception showed an

utter disregard of the value of the lives of outsiders when they affected its pockets, and an equal disregard for honour and truth when these could not be turned into marketable commodities. It seems undeniable that corporate bodies may, with impunity, be guilty of offences that would inevitably bring down upon individuals the most condign punishment.

No efforts were made to distinguish between traders and explorers. It may be granted that traders were objectionable from the standpoint of possible competition with the Company, however little the Company was justified in placing their lives in one scale to be out-weighed by the addition of a few pounds to the revenue of the Company on the other. But explorers belong to a different order; their work is essentially scientific and educative. The civilized world, looking for new homes, had a right to information. But all were classed together and doomed by the Company to the same fate. Everything was done, however, to protect the lives of the Indians.

In the management of the East India Company and the Chartered Company of South Africa there has, probably, been a want of consideration shown in regard to the lives of native races, but whites and Europeans have always been protected with all the authority at the command of the companies. The retribution that was the natural outcome of the policy of the Hudson's Bay Company came later with appalling force. They had lighted fires which they could not control.

In the meantime, through one source and another, sufficient information reached the public to justify the belief that vast possibilities existed for the expansion of a great Canadian nationality in the region under the jurisdiction of the Hudson's Bay Company. As early as 1851, one of the political leaders of Old Canada, George Brown, commenced an agitation in the columns of the Toronto *Globe*, the most influential newspaper of Canada at that time, for the early cancellation of the territorial jurisdiction of the Hudson's Bay Company, and the acquisition of all the rights of the Company by the Government. George Brown, as his name indicates, was Scotch, a family connection of the Nelsons, publishers in Edinburgh. So that he was only carrying out the family tradition, when on his arrival in Canada in the early 'forties, he established a newspaper in Toronto, then known as "Muddy York."

George Brown was of commanding appearance, being unusually tall even for one of his race, and his force of character was extraordinary. Having once taken up a public policy his advocacy never ceased until success crowned his efforts. His newspaper had an influence on the populace such as no other had, or probably ever will have, in Canada. Every fibre of his being was touched with patriotism of the highest type. His newspaper breathed his own personality upon all great questions, which is still a living spirit in old Canadian families. Students of the *Globe* were fired with the loftiest ideals of the duty of citizenship—the public interest gave place

to every other consideration. This is one of the causes of the purity of public life during that period in the history of Canada. Political opponents sneered at the *Globe* as being "the Bible of the Grits," as the Liberals of the day were called. Belonging to an advanced Calvinistic school in his early days in Canada, George Brown expressed extreme views in regard to the Catholics of Lower Canada, but in later years his prejudices gave way to ardent admiration for their character and institutions. Both in and out of Parliament he exerted a deep influence on the electorate of the country. Politicians have said that his unbending disposition, his lack of a compromising spirit, made him impossible as a successful political leader. If success is to be judged by length of time in public office, this may be true. But as a patriot, having no object to serve other than the development of his adopted country, making no personal gain from positions that he held in public life, George Brown's political record stands as a fitting example to Colonial statesmen for all time.

It was from this source that the first clarion was sounded for the right of Canada to hold undisputed sway over the Great Lone Land of the west. The demand for possession by Canada was met by the Company with the publication of statements assuring Canadians that the whole territory was not worth a farthing, except for furs—that the climate was such as made living impossible to others than Indians—and that, at any rate, nothing would grow in that vast territory

that could be profitable to white labour. These efforts to deceive the public were effective for yet another twenty years. But during this period reliable information leaked out about the agricultural possibilities of those great prairies, notwithstanding the drastic methods adopted by the Company to prevent intelligence reaching those who were anxious for Canadian expansion. The Dominion Government finally resolved to take definite action. An appeal was made to the Imperial authorities, and the assurance was given that the Charter would be cancelled, unless reasonable terms for the purchase of the rights of the Company by Canada could be arranged. This was very properly taken by the Company as notice to quit. Negotiations finally resulted in the Canadian Government paying the Company one million and a half dollars (£300,000) in cash. They agreed also to set apart for the Company one square mile and three quarters, 1120 acres, in each township hereafter surveyed in the territory, south of the North Saskatchewan river (about the latitude of Edmonton), and also certain specified areas around the Company's posts.

In other words the Company was to receive from the Government an extensive area in the wheat-growing belt. The area that the Company is entitled to will eventually aggregate seven million acres or more, probably realizing $150,000,000 (£30,000,000) to the Company. If the actual facts about the fertility of the soil, as well as the climatic conditions, had not been so misrepresented, no such arrangement

would have been possible. At the very time that the officials of the Company were declaring that the country offered no inducements for settlement, their records show that certain lands in the vicinity of the Company's posts at Battleford, Qu Appelle, Edmonton and Fort Garry, had been under cultivation for more than a century, and that they were then yielding bountiful crops, although the soil had never been artificially fertilized, and was only being cultivated upon the most primitive lines.

It had long been evident to Canada that, in the negotiations for the possession of this territory, the Canadian Government was hopelessly handicapped by want of information. Not a few explorers had followed compelling impulses to search the hidden secrets of the west, in the manner so graphically described by Kipling—

> "Something hidden. Go and find it.
> Go and look behind the Ranges—
> Something lost behind the Ranges,
> Lost and waiting for you. Go."

And they had gone to their doom. Instead of returning to those who anxiously witnessed their departure, they had found lonely graves in the vast sunlit waste of the west. Perhaps it was too much to expect the Company to give its case away while negotiations were inevitable at some not distant day for the sale of its rights to the Dominion of Canada. It was also advisable that not only the Government, but the general public should be unaware of the

value of the consideration which the Company would demand for the cancellation of its franchise. Companies, it may be claimed, have no souls and are therefore not to be held as strictly responsible on points of honour as private individuals; and it may also be claimed with no less force, that a national trusteeship is a proper object for exploitation. This view has been, apparently, accepted by those who subsequently accumulated wealth through the developments that followed the passing of the Hudson's Bay Territory over to the Dominion of Canada.

III

Terms of purchase misunderstood—Effect on Company's shares—Panic on the market—Donald A. Smith a purchaser—The Riel rebellion—The first martyr—Lord Wolseley's chance.

On the announcement that the Dominion Government had carried the negotiations to a successful conclusion for the possession of the Hudson Bay Territory, the investing public in Great Britain and Canada conceived the erroneous though, perhaps, natural idea that the Company had been forced out of its rights upon very unfavourable terms. A circulation of that rumour was all that was necessary to cause a panic among a large number of the scattered shareholders of the Hudson's Bay Company. Intense anxiety was manifested to effect sales on the London market. The holders of many of these shares were widows and orphans of Army and Navy officers of limited means. They had not been officially notified or advised that, under the arrangements which had been effected with Canada, the assets of the Company were likely to become exceedingly valuable, rendering dividends for generations in excess of the most sanguine expectations of the original founders of the Company.

There was one, at least, who did not find his courage deserting him at this juncture, nor was he in any

doubt as to what to do under the circumstances. This was Donald A. Smith, the then Resident-Governor in Canada of the Company. His purpose was not made known to the public, nor did he feel that he was called upon to take the panic-stricken shareholders into his confidence. If he had faith in the ultimate wealth that would accrue to the Company as the result of the bargain that had been made with the Canadian Government; and if those whom he represented in the Company's management in Canada had not sufficient confidence in him to ask his advice, the mistake they made in parting with their shares, as well as the consequences of their want of faith in the future of the Company, must be their own. On his side Donald A. Smith could claim that if he had become possessed of information which might be turned to his personal profit, it could scarcely be expected that he would proclaim it from the housetops.

It is, therefore, not surprising that Donald A. Smith's hand was not seen in the market, but that through trusted agents he secretly purchased all the Hudson's Bay stock that was offered. His confidants served him well. Not a proffered share was missed, and not a hint of the great *coup* that was being effected got beyond the trusted circle. The prices ran from £9 to £12 per share. It is interesting to know that by 1911 the shares of the Company were quoted on the London Stock Exchange at £130, an increase in value of over thirteen hundred per cent. In addition to this, however, between 1872 and 1911 the entire capital

stock of the Company was repaid to the shareholders in full six times in the form of special bonuses, exclusive of ordinary dividends. Others in his position and with his aspirations, perhaps, would have followed exactly the same course. But very many, whose worldly possessions were somewhat limited, only learned when it was too late that in parting hastily with their shares they had unconsciously assisted the chief officer of the Company in Canada to realize the ambition of a lifetime. Donald A. Smith found himself after the panic in the market had passed in actual control of the Company. Henceforth he would no longer be the subordinate of a London Directorate. He could elect the members of the Board himself, he would appoint the officers of the Company, he would control its policy, he could also pay off some old scores in the West; and, far more important than any other consideration, he would be the principal participator in the enormous profits that must eventually accrue to the Company as the result of the favourable terms which had been made with the Dominion of Canada. In conversation once with the writer on the subject of his large holdings in the Hudson's Bay Company, Lord Strathcona intimated that it was the proudest moment of his life when he finally secured control of the majority of the shares of the Company. This possibility had always seemed so absolutely remote that he could hardly realize the fact when it was accomplished.

The payment of the amount agreed upon, however,

did not ensure peaceable possession of the territory by Canada. The first evidence of the intention of the Government to assume control was coincident with an outbreak of rebellion of half-breeds under the leadership of Louis Riel. This action of a portion of the native population might possibly be looked upon as the natural outcome of the oft-repeated advice of the Company about the alleged danger to the native races of allowing whites, who were not in the service of the Company, to enter the territory. The half-breeds had everything in common with the full-blooded Indians, although a great many of them had holdings of their own along the banks of the Red River, as well as in the vicinity of the Company's headquarters at Fort Garry. The leader of the rebellion, Louis Riel, was an educated half-breed. All his sympathies, as well as his associations, were with the full-blooded Indians. The Church had educated him hoping to capture him for the priesthood. Unfortunately it had failed. He preferred to be recognized rather as in full sympathy with the Indians, than as a half-breed, and he was looked upon by them as their leader. Everything that might prejudicially affect the tribes was regarded by him as having a bearing on his own life. Louis Riel had imbibed to the fullest extent the teachings of the Hudson's Bay Company as to the undesirability of the presence of white men in the territory who were outside its charmed circle. The chief resident officers of the Company might be forced to change their views on this subject, but the sudden change

was a sharper corner than Louis Riel and his followers could easily accommodate themselves to.

Information had reached the outside world that the negotiations between the Government and the Company were likely to be successful, and already a few enterprising and restless spirits from the western States had arrived at Fort Garry. Their presence was regarded by the Indians and half-breeds as ominous of a flood that might soon roll on with resistless fury, unless the new-comers were dealt with in the most summary manner. The unhappy results of leniency, judged from an Indian standpoint, were only too evident in the events that were taking place in the republic immediately to the south, where the Indians were being slaughtered, rapined and robbed of their ancient heritage without the smallest mercy. The fears so carefully instilled into the minds of the Indians by the Company for generations, until they had become a tradition, became intensified, and this was one of the great forces behind the rebellion.

During the absence of the local Governor of the Hudson's Bay Company in the east, Louis Riel and his followers got beyond control. Suggestions were made later that local officers of the Company encouraged Riel in the early stages of the rebellion. At any rate Riel procured all his arms and ammunition from the stores of the Hudson's Bay Company. Encouraged by the fact that there was no authority to question his power, Riel caused the arrest of some of the most pronounced opponents to the course

that he was taking. One Thomas Scott, although he had not been the least offensive to the half-breeds, incurred Riel's displeasure. After a summary trial by the provisional government which Riel had formed, Scott was sentenced to death, and secretly buried under cover of night. Those who took part in the grim tragedy allowed no ceremony to sanctify the grave. The spot was not marked, nor was it ever known, though many years afterwards, when Winnipeg was expanding into a city, the solitary skeleton of a man was found where labourers were excavating for the foundations of a great warehouse.

The murder of Scott seemed to rouse the dormant Indian passions, and a general massacre of the whites was feared. To secure protection they took refuge within the palisade of the Company's fort. Preparations were made for an attack, which fortunately did not take place. The Nemesis following the unwise policy that the Company had so determinedly carried out in regard to the presence of whites in the territory seemed imminent. They had fired a mine which threatened appalling results. Fortunately, however, there was a protective power at hand.

In the meantime the authorities at Ottawa, unconscious of the serious trend of events at Fort Garry, were constructing the basis of official administration in the newly acquired territory. A member of the Cabinet, Hon. William Macdougal, an exceedingly able administrator, was appointed Lieut.-Governor. He selected his staff and proceeded to Fort Garry

(Winnipeg) by rail as far as he could go through the United States, and then by overland stages to the Canadian border. Here, however, he was faced by Louis Riel's provisional government, and threatened with Scott's fate if the party persisted in entering the country. The prospects were not encouraging, as Mr. Macdougal had no military force to assist in his administration of the country. He therefore retraced his steps to eastern Canada—only to make the amazing discovery when he arrived at Ottawa, that owing to carelessness, excitement or worse in official circles, caused probably by the disturbing news that had reached the capital after his departure for the west, the Governor General's Proclamation annexing the Hudson's Bay Territory to the Dominion of Canada had not been issued. In point of fact, therefore, the so-called Lieut.-Governor of the Territory who had appeared on the threshold of the west, and had been refused admission by Riel, had really no official standing whatever. The position to which he had been appointed did not, in fact, exist. On his return to Ottawa, Parliament being in session, he resumed his seat, occupying a desk on the Opposition side of the House, from whence he demanded explanations from the Government; for when news of Scott's fate reached eastern Canada the whole country became infuriated. With the general condemnation of Riel, there were many who found a palliation for his offence in consequence of the blame attached to the long-continued policy

of the Hudson's Bay Company officials. They were severely censured for not breaking down the barrier they had erected between the native population and the explorers; or, at any rate, in making no attempt to allay the fears that they had fostered as to the nature of the new administration. The view was held strongly in official circles that Riel was not altogether at fault, or if so his offence was not too great to be pardoned. Archbishop Taché declared that the Government authorized him to promise Riel an amnesty, and under instructions from Sir John Macdonald,[1] Donald A. Smith secretly paid Riel $5,000 to leave the country for the time being.

The promise of an amnesty was afterwards denied by the Government. At any rate, it was unfulfilled. In the end[2] Louis Riel, once patriot, leader, the idol of a proud and fiery race, expiated his crime as if he had been merely the commonest murderer. Few tears were shed for his lost glory, except in the province of Quebec, where there are still many who cherish the memory of the misguided patriot of those days.

Viewing the situation from Ottawa, it was absolutely necessary that a military expedition should be despatched to Fort Garry for the purpose of quieting the disturbances in the newly acquired possessions. This became more evident when the Lieut.-Governor, who had been appointed to take charge of the new province by the Governor-General, returned to Ottawa. Pre-

[1] Parliamentary Inquiry, 1873.
[2] The second outbreak, 1885.

parations were immediately set on foot, so that the expedition should reach the seat of trouble as early as possible. Fortunately an experienced officer was obtained to command the Force. Colonel Wolseley, later Lord Wolseley, was in Canada at this time as Adjutant-General of the Militia; though when his name was first suggested for the position, it was vetoed on account of his alleged lack of experience. The Governor-General, with characteristic British officialism, wanted to have a high officer from England placed in command of the expedition. But Sir George Cartier, Minister of Militia, insisted upon Colonel Wolseley's appointment, and he was placed in command. This decision was no sooner announced than Wolseley received cables from Lieut. Butler (afterwards Sir William) and Lieut. Buller (afterwards Sir Redvers) asking that they might accompany the expedition.

Accounts could be given of interesting incidents, belonging to the present generation, in connection with life in Canada, but probably none would be more romantic than the strange part the Riel Rebellion played in the military careers of each of these officers. The Expedition furnished the occasion that military genius longs for, the prospect of active service. Thirty years from the date of this experience, one of these officers was occupying a seat in the House of Lords as the result of an honoured and successful career, having also become Commander-in-Chief of the British Army. Another paid the penalty so often

exacted in South African service, only to have his memory more than vindicated after his remains had been consigned to their last resting-place. The last-named commander had the greatest army that ever left the shores of Great Britain on foreign service, and later found an almost insurmountable task amid the mountains surrounding Ladysmith. All three, however, were enabled to make a decided step upwards in military service by their connection with Louis Riel's rebellion and the Red River expedition.

IV

Canadian troops at Fort Garry—Treating with the rebels—The Company and the rebellion—New trading conditions—Competition with a tinker.

News from the west caused great anxiety to the Canadian public, and they chafed at the delay which was necessary before the preparations for an unexpected campaign could be completed. The proposal was made in the early weeks of the trouble that the forces might perhaps be allowed to pass through the United States, using the American western railway system, thus reaching the objective point much more expeditiously than could be done by the long overland route through the Canadian forests. This, however, was found to be impracticable. The expedition could only go through the United States as private citizens, and not as a military force; in which case arms and ammunition would have to go as ordinary freight. In the discussion of the proposition difficulties were encountered that could not be overcome. The ill-feeling engendered in the United States against Great Britain by the memorable Trent affair [1] had not yet subsided.

[1] The "Trent affair" was the occasion of serious diplomatic complications between the United States and Great Britain. It was caused by the government of the Republic arresting Mason and Sliddell, two representatives of the confederacy of the Southern States, during

At this time, also, the Fenian organization was active in the Republic. There had already been two filibustering expeditions from the United States to Canada in recent years, leaving very aggravating memories. It was recognized that the administration at Washington could not afford to take the risk of offending the Irish, and thus probably losing that vote in a Presidential election. And if any further objections were needed to the carrying out of such a proposal, they were furnished by the circulation of the rumour that the Fenian leaders were on their way to the west to offer their services to Louis Riel.

Under these circumstances there was nothing for the expedition to do but make its passage entirely through Canadian territory. This necessitated a journey of nearly four hundred miles to Sault Ste. Marie by the Great Lakes, where the expedition had to tranship everything to the Canadian side of the river, the only navigable passage connecting the Georgian Bay and Lake Superior being in United States territory. They had to take ship again at the western end of the river and sail four hundred miles further west to Fort William. Here the difficulties of the expedition really commenced. It was necessary that they should cut their

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the civil war, who were on their way to Europe in a registered British steamship. Great Britain denied the right of the United States to commit the act in question, and eventually presented an ultimatum to the United States Government, demanding the immediate delivery of the persons on British territory. The bitterness growing out of that incident continued for many years.

way, and build a military road, through nearly six hundred miles of virgin forest, and over a mountainous and well-watered country. This was the task for which Colonel Garnet Wolseley had assumed responsibility. It was a work worthy of the best traditions of the British Army. A faint conception of the magnitude of the undertaking can be realized by a trip over either of the two great railway lines now running between Wolseley's objective points—Fort William and Winnipeg. Whatever the expedition lacked in actual military glory was amply compensated for by the success attending the stupendous transport arrangements through such a country.

While the expedition was cutting its way through the Canadian forests, nothing was being left undone to secure a peaceable termination of the situation at Fort Garry. Riel had formed his government, and was to all intents and purposes in possession of the territory. Beyond the murder of Scott no overt act had been committed, although the few other English arrivals did not know how soon they might meet the same fate. The venerable Archbishop of St. Boniface, who was paying an official visit to Rome, was cabled to return, in order that he might assist in persuading Riel and his followers to acknowledge the properly constituted authorities. Leading Protestant missionaries had also hurried to Fort Garry from the interior, to render assistance with the Indians to whom they had been ministering, in case they also should make their way to the storm centre. Donald A. Smith, who was then in Old

Canada, hurried off by rail to the extremity of the United States system, and thence by horses over the western prairies of the United States to Fort Garry, where he arrived long before the military expedition could possibly put in an appearance. Meanwhile the clergy of his own Church had held Riel in check.

Immediately upon the arrival of Donald A. Smith, official negotiations were opened with Riel, and in this the Roman Catholic clergy rendered great assistance. But before this point had been reached an important interview took place between Donald A. and Riel. The former reached the Stone Fort at Selkirk late at night. Riel heard of his arrival, and immediately went up the river to see him. He was told by the attendant that Mr. Smith had retired for the night, but he insisted that he must see him. While the attendant went to inquire whether Mr. Smith would see Riel, the latter walked into the bedroom unannounced. His reception, however, was such that he returned at once, passing out of the gates with a crushed appearance, in strong contrast to the manner that he had been assuming for several weeks in the settlement. The brief interview at the Stone Fort opened his eyes. Certain promises were made to Riel and his followers, in the course of the negotiations, which afterwards had a most disturbing effect in Canadian politics, and in regard to which Donald A. Smith and the clergy seem to have retained most strangely contradictory recollections of the same

events. At any rate, Riel was persuaded to see the error of his ways. He was paid $5,000 (£1,000) by Donald A. Smith under confidential instructions by Sir John Macdonald, who afterwards reimbursed him from the Secret Service Fund placed at the disposal of the Ottawa Government by Parliament. Riel then left the scene of the rebellion to reside in the United States until the promises made to him should be fulfilled.

Lord Strathcona regarded with much uneasiness fifteen or twenty years ago the frequently-repeated insinuation as to the complicity of the Hudson's Bay Company and his own colleagues in the unfortunate rebellion. Upon one well-known occasion, during the lifetime of the late Archbishop Taché, he visited Winnipeg, and endeavoured to get the approval of that great leader of the Roman Catholic hierarchy to a statement that the officials of the Hudson's Bay Company were absolutely free from complicity in the Louis Riel episode. But the venerable Archbishop quietly intimated that, if any such statement was made by Lord Strathcona, he would produce documents that would settle that question definitely for all time, upon lines that would create a startling sensation throughout Canada. Consequently negotiations came to a termination somewhat hurriedly. It is no longer a secret that the archives of the Archbishop's Palace at St. Boniface contain important documents bearing upon this subject, and it is equally well known in influential circles that among the papers left by the

late Governor McTavish, of the Hudson's Bay Company, most interesting confirmatory information of the archiepiscopal documents is available. The late Archbishop was credited, however, with stating that unless forced to do so he would allow nothing to be made public during the lifetime of any of the three who had been active participants in this piece of Canadian history. The peculiar thoughts that must have visited Lord Strathcona when he received Her Majesty's Medal for assisting to suppress that rebellion, with which undefined and vague but very suggestive rumour credited the officials of the Hudson's Bay Company with having had not a little to do, and he on account of his official position not being altogether free from blame, would surely be worth a historian's attention.

When the expedition arrived at Fort Garry under Colonel Wolseley, the rebellion was at an end, but it was regarded as advisable for the Force to remain in the country during the approaching winter, then fast setting in.

Outside the commissariat accompanying the expedition, the main source of the supplies required for the troops was the Hudson's Bay Company. In fact up to this time there had been no competition with the Company throughout that vast territory in the way of buying or selling. The Company had been unbridled autocrats there for two hundred years. Not only had they monopolized the trade, but they had assumed authority over human life as well. What was more

natural than to believe that the "sceptre had not departed from Israel"? With the requirements of the troops there came a rude awakening as evidence of the changed situation, the importance of which the officers of the Company seemed scarcely able to comprehend. A young tinker had wandered to Fort Garry from the western states, drawn thither by the rumours that Canada had assumed the government of the territory. He had reached there about the time that Thomas Scott arrived, and his escape from Scott's fate had hung on little more than a gamble. It was a question with Riel's government whether Thomas Scott or John Ashdown should be arrested. Ashdown's fate is said to have been decided on the chance drawing of two straws of unequal length. The tinker escaped, only to find himself very soon afterwards in sharp business competition with the Hudson's Bay Company.

Certain heating supplies had been forwarded from the east for the troops, but, with the usual military want of method, lacking a most necessary attachment. This omission necessitated a formal notice appearing at headquarters asking for tenders for a supply of stove-pipes. The Hudson's Bay Company sent in a tender, as did also John Ashdown. The latter quoted a much lower figure, but the Company had not much trouble in convincing the military authorities that the unknown tinker was not in a position to do the work. The contract was, therefore, given to the Company, but they had no tinsmith in their employ. They

then wanted to engage the services of the practical tenderer, but he declined to work for them, when he learned that the price at which the contract had been secured by them was far in excess of his own modest figure. The Company requested the assistance of the military to make the "culprit" work. No other tinker was known to be within five hundred miles of Fort Garry. Colonel Wolseley cut the dispute short by cancelling the contract with the Company, and giving it to the tinker.

With the assistance that John Ashdown was able to secure from the ranks of the military the contract was completed within the stipulated time. This was the first intimation that the Hudson's Bay Company received that others had equal rights with them in the trade of the west. The particular interest attaching to the incident is due to the fact that by this contract was laid the foundation of one of the most extensive business establishments now in western Canada. When the site of Fort Garry became a great city, the successful tenderer of that day was elected to the most prominent positions in the gift of his fellow-citizens. Long before the shadows had begun to lengthen in his life, he had accumulated an immense fortune by legitimate business, and to his credit it may be said, he never used any public position that he occupied for the purpose of advancing his personal or financial interests.

In other ways, too, old conditions were giving place to new. With the legitimate trader, now admitted

to a hitherto closed territory for the first time, had come the restless wandering speculator, whose gambling instinct scents opportunities from afar. He never comes like a thief in the night, but rollicking and daring he soon makes both his presence and his business known, with the natural result that the quiet, silent, shrewd man of business, following the path blazed by the other, reaches the objective point with much greater profit.

Under the terms of an agreement with the Ottawa Government, the half-breeds were each entitled to a goodly block of land. Their partial rights to proprietorship in the west were acknowledged in this form. In this way, also, all cause for the complaints that had been fostered by the rebellion would probably be removed. As it was not possible to give titles until the land could be surveyed, the Government issued what is known in the west as Scrip—a form of contract which was to be redeemed by the Government for lands afterwards. Unfortunately for the half-breeds this Scrip was negotiable. The half-breeds were perfectly unconscious as to the value of the Scrip. To many of them it was only a nicely printed piece of paper, worth, possibly, not much more than any other piece of paper. The speculator was on the look-out. To him the native is always fair game for exploitation. However, but little of the Scrip had reached the speculator's possession before a shrewd man of business within the walls of Fort Garry and the Lower Fort grasped the possibilities from the possession of

the Government "promise to pay." When it came to a competition between the man on the spot, with whom the half-breeds were accustomed to do business, and the man outside, the latter had small chance. It is not surprising, therefore, that the officers of the Hudson's Bay Company plunged into the ways of the stranger. A well-known resident of Calgary, who was one of the chief clerks in the Government Registry Office in Manitoba in those early days, is the authority for the statement that tens of thousands of acres of these lands passed into the hands of very high-placed officials of the Company, out of which very large fortunes were afterwards realized. The early records of the Registry Office bear witness to the manner in which the guileless natives were done out of their proprietary rights to this Scrip, the greater part of which was handed over for no other consideration than a blanket, a pipe, or a plug of tobacco.

V

Donald A. Smith elected to Parliament—Knowledge of the west—Dream of wealth and power—A great leader—Parliamentary talent—Buying a public franchise—Election subscriptions—Pacific scandal.

It was fitting that the first Parliamentary constituency in the newly acquired west should be named Selkirk, in order to perpetuate the memory of that courageous voyager who with his intrepid companions settled along the Red River in the nineteenth century. The Lower Fort, as the settlement around the Stone Fort was called, as distinguished from Fort Garry, sometimes called the Upper Fort, had been the controlling centre of the vast territory ruled by the Hudson's Bay Company for two centuries. The old wooden palisades had given place to stone walls after the Company absorbed its great rival, the North-West Fur Trading Company.

The erection was commenced in 1831 and completed in 1839, and was the first lime and stone building erected between Lake Superior and the western slopes of the Rocky Mountains. Within the five acres surrounded by these loop-holed stone walls and mediæval bastions, from which a shot had never been fired, more than half a continent had been peacefully governed. It was the great meeting-place of the

east, the west and the north. Representatives of the Company from the Arctic Circle to the sunny slopes of the Pacific, from the north of Hudson Bay to country inhabited by the fierce tribes in the more western of the United States, from the Lakes to the heights of the Rockies, gathered once a year around the hospitable board of the Deputy-Governor to exchange long-pent-up confidences.

Here was the flotilla of boats with supplies for the interior in exchange for furs brought to this point by the trusted servants of the Company. Here, too, would take place that distribution of letters, periodicals and newspapers that told of the changes taking place in the outside world, the coming and going of empires and dynasties long after the events had taken place. Representatives would settle the policy to be carried out for another year in a few hours which it would take statesmen months or years to decide under ordinary red-tape conditions. The fashions in furs to be adopted in Paris would be settled in much the same expeditious manner. In those far-off days the curse of civilization and its greed for gold had not blighted their finer susceptibilities. It was the meeting-place of the self-sacrificing and faithful, who, while serving the Company, were holding an empire for unborn generations. Their wants were few, their honesty absolute, their loyalty unquestioned. Here, also, was an outpost of science. While the Jesuit missionaries were at the same time trying to learn the secrets of Nature controlling seismism and atmospheric cataclysms in the Philippine Islands and throughout

the Indian Ocean, the officials of the Hudson's Bay Company were collecting in their archives at the mouth of the Red River records of the meteorological and agricultural secrets of the "frozen north." To realize the extent of these researches one must examine the originals, as the writer has had an opportunity of doing. Yet a singular difference in the methods adopted by these two great inquiring agencies is noticeable. The Jesuits lost no time in making their discoveries known to the world, while the Hudson's Bay Company records largely remained a secret until their jurisdiction over the territory ceased.

The annexation of the Hudson's Bay Territory was immediately followed by representation being accorded to the new country in the Canadian Parliament. It was perfectly natural that the first member to be elected in 1871 should be the Vice-Governor of the Company, Donald A. Smith. When he took his seat in the House of Commons as a supporter of the Government of the day, which was led by Sir John Macdonald, he was heartily received by both political parties as the representative of the New West. On all sides it was recognized that his presence at Ottawa marked a distinct advance in the aspirations of the young Dominion. The Liberals welcomed Donald A. Smith, not in his personal capacity as a supporter of the administration, but as the representative of the territory, the control of which by the Government of Canada they had long advocated. But neither side guessed in that typical western figure the hidden power which was destined to mould the

history of the country to his own purposes, nor that so many of their number, whether willing or not, should be in his hands as the clay to the potter. From this point may be dated a romantic career, more interesting in all its details, and more far-reaching in its results upon the commercial, social and political life of the Dominion of Canada, than has been furnished by any other individual in the history of the British Colonies.

It has been suggested that a marked similarity exists between the lives and characters of Donald A. Smith and Cecil Rhodes at this point of their Parliamentary careers. A careful survey of the situation, however, shows no resemblance whatever in the early stages of the public life of these two great Colonials. Cecil Rhodes was dreaming of an Empire with no personal advantages to himself, Donald A. Smith was dreaming of the development of an Empire that might be turned to his personal aggrandizement; and as their dreams developed into experience the ultimate ends each had in view became still wider apart. Cecil Rhodes was a born leader of men in parliamentary government: Donald A. Smith was not, but he had no peer as a shrewd manipulator of political leaders for his own purposes. Cecil Rhodes always stood for the national interests, personal considerations being secondary: Donald A. Smith's personal interests were paramount. The contests of the one were fought out in the noontide glare of a public career: the other discomfited his opponents in the evening shadows of secret conferences, and behind carefully-guarded doors.

Donald A. Smith had successfully directed an army of officials employed by the Hudson's Bay Company; he had controlled, as in the hollow of his hand, the uncivilized Indians throughout a vast territory, and had successfully used their labour for the profits of his Company. The shrewdness sharpened by such experiences was soon to become useful in a wider field. Certain not altogether objectionable characteristics, assimilated by contact with the red man, could be used advantageously among the whites. He had also learned to keep his own counsel.

Donald A. Smith had an intimate personal acquaintance with the wonderful possibilities of that goodly land lying between Fort Garry and the foot-hills of the Rocky Mountains. The faint echoes of information that had reached the outer world told but little of the actual facts. It is safe to say that no living soul, taking any interest whatever in the prospective development of that country, had a tithe of the information that the Canadian Governor of the Hudson's Bay Company possessed. He was equally familiar with the fertility of the great west of the United States. For many years, on his journeyings to eastern Canada, he had traversed the prairies to the south of the Company's jurisdiction. He knew that the northern area was a continuation of the same belt of fertility that was the basis of the accumulating wealth of Chicago and other western cities. Years before, he had heard the muffled thunder of countless herds of buffalo from the United States, forced by the advancing tide of western settlement, wend their way up the valley of the Red

River to the Hudson's Bay Territory. He had seen them increase and multiply in the area under his control. He knew that as they had prospered in the western states, and even to a greater extent in British North America, so could be measured the respective fertility of the two countries. He was well aware that where buffalo thrive, cattle can feed by the million, so that probably in this country wheat would yield crops such as the world had never seen. He was sufficiently reflective to know that the territory over which he had held jurisdiction for so many years was favoured by Nature with two hours' longer sunshine, during the wheat-maturing season, than any other wheat-growing area in the world. The value of each one of these considerations had not escaped his shrewd calculations.

Donald A. Smith had seen railway enterprises in the western states grow to enormous corporations in a decade or two. Native shrewdness and his peculiar knowledge suggested that what others had done in the neighbouring republic he himself might accomplish in Canada. A railway had already been projected and partially constructed towards the Canadian border from Minneapolis, but it had not realized its promoters' expectations, and the managers were discouraged. To have that line completed, with some assistance from personal friends, was now his object. Before this, however, the idea of securing the control of a charter for the construction of a Pacific Railway through Canada had become a definite aim.

The means to accomplish this became the controlling

influence of every action of Donald A. Smith after he had taken his seat in the House of Commons. But while he was dreaming of a continental charter, a far-sighted and enterprising countryman of his own was acting. The general elections of 1872 were about to take place. Sir Hugh Allan was then head of the great steamship line that bore his name. As a young man he had come to Canada long before steam was thought of on the Atlantic. From small beginnings he had expanded his business until his fleet had become a possession that Canada was proud of. Industry and integrity had marked his life in every particular, and success had crowned his efforts. Within an inner circle it was rumoured that he had previous confidential experience in effecting arrangements with Canadian Governments for mail subsidies for his steamship line. At any rate he selected an opportune time to enter into secret negotiations with the First Minister for an arrangement to construct the Canadian Pacific Railway. In these conferences Sir Hugh was accompanied by the late Mr. J. J. C. Abbott as his confidential legal adviser. This was subsequently proved by the production of the correspondence between the contracting parties in the ensuing Parliamentary inquiry. Mr. Abbott appeared again on the scene seven years later with other parties in a similar confidential capacity.

Sir John Macdonald, the Premier, was, as has already been intimated, about to make an appeal to the electorate for a renewal of confidence in the Government which had been in office since Confederation. He was of

Scotch descent, his parents having arrived in Canada early in the nineteenth century. He was brought up in the humbler walks of life, and after going to the village school, was apprenticed as a clerk to a lawyer. A wealthy merchant at Kingston took a great fancy to the bright young lad, who under his patronage was introduced into politics; from that period this promising protégé devoted his time untiringly to public affairs. A natural leader of men, he quickly came to the front. Eventually, out-distancing all competitors, he became the leader of his party and the Premier of Canada. In personal appearance and manner he had a strong resemblance to Lord Beaconsfield. His ruling passion was power—not office for the mere sake of office, but office for the sake of the power it conferred. To attain power he risked everything, with the inevitable result that the record of aspirations and deeds solely in the interest of his country, will not altogether clear his reputation of blemishes. For a long time he was strongly opposed to the Confederation of the provinces, but finally joined in its advocacy, and effected a coalition of the leaders of both political parties to carry it through. Many of the prominent Liberals who joined forces with him for the purpose of seeing that great project carried, and by whose assistance he became the first Prime Minister under Confederation, separated themselves from him as soon as the Union became an accomplished fact.

The House of Commons possessed a highly satisfactory standard of public life at this time. There

were intellectual giants in the Canadian Parliament in those early days of Confederation. The political stream had not been sluggish in any of the provinces for many years, and, as is always the case in times of political disturbance, strong characters had come into the political arena.

Better far than the evidence of intellectual power was the fact that up to this time scarcely a reputation had been associated with a minor political scandal, and certainly no hint of personal corruption had been suggested. The cankerworm, which was so soon to eat its way into the body politic, had not as yet made its appearance. No one but a madman would have prophesied that ere ten years had passed, the whole standard of public ethics would have changed. The heat of battle in provincial politics was beginning to be felt at Ottawa. The Federal Opposition (the Liberals) had already captured the most important of the provincial legislatures, and they had grown in strength and influence in the Federal Parliament until they had become a serious menace to Sir John Macdonald's retention of office.

Sir Hugh Allan knew the Tory Leader's intense love of power, and he also knew that he looked forward with some misgivings to the pending appeal to the electors. He therefore selected this occasion as auspicious to open negotiations for an arrangement about the much coveted Pacific Railway charter, with the avowed object of carrying out the terms of the agreement by which British Columbia had entered the Confederation—the construction of a railway across the

continent within ten years. Sir Hugh Allan promised Sir John Macdonald a subscription of $100,000 (£20,000) to the party funds, if the Government would give him and his friends the charter for the construction of the line. The amount that was held out as a bait to the First Minister was looked upon as a large sum in those days. Sir Hugh pressed for the introduction of the necessary legislation during the last session of Parliament, before the elections. Sir John at first considered this impossible, as it would give the Liberals another subject upon which to appeal to the country against him. He wanted Sir Hugh to accept his assurance that, if successful at the elections, he would enter into a satisfactory arrangement then, introducing the necessary legislation at the first session of the new Parliament. Sir Hugh practically replied, "It is now, or nothing." Both the negotiating parties were Scotch, possessing a full measure of the acumen of the race. Sir John was a politician, and certainly in a matter of this kind a pledge was as good as a bond, providing the elections should be satisfactory. Sir Hugh was a business man accustomed to have every contract in black and white—he did not care to part with his money without holding security in the usual form.

After much hesitation Sir John Macdonald agreed to the details of a definite arrangement by legislation —necessarily including (1) the incorporation of the Canadian Pacific Railway Company, and (2) the approval of Parliament to a contract with the Company

for the construction and maintenance of the line. These Bills were accordingly carried through Parliament in 1872, immediately prior to the general elections, after a strenuous fight against the proposals by the Opposition. Donald A. Smith was one of the charter members of the Company. He was asked to join the Board of Directors because it was a convenience to Sir Hugh Allan, and probably also to insure his support to the measure in the House. In how far Sir Hugh took the charter members of the Company into his confidence about the promised subscription to the election funds remains a mystery. Every precaution was taken by Sir John Macdonald and Sir George Cartier on the one hand, and Sir Hugh on the other, to prevent their mutual confidences becoming known. Nothing probably would ever have been revealed, had not the Opposition developed unexpected strength in the campaign, naturally increasing the anxiety about the possible result, so that Sir John Macdonald and Sir George Cartier, with a complete absence of their usual shrewdness, both by letters and public telegrams, made several personal appeals to Sir Hugh for further assistance. One of Sir John's telegrams said: "Send another ten thousand. It is the last time of asking." The amounts paid by Sir Hugh totalled $350,000 (£70,000). Sir John carried the country, but the *dénouement* that followed prove that in an endeavour to secure an extension of power, this great Canadian statesman had paid an awful price, leaving a stain on his memory which time can never efface.

VI

Reverting to party lines—George Brown's break with the coalition —Parliament of talents—Interest in Parliament—The early days in Ottawa—Discovery of the Pacific scandal—Investigation by Parliament.

THE session of Parliament following the general elections of 1872 was historic in many ways. Party lines, which had been largely obliterated by the action of the leaders on both sides in Upper and Lower Canada in order to bring about Confederation, were again clearly defined. In the preceding session a number of members, who, in pre-Confederation days, had been associated with the Liberal party, supported the Government of Sir John Macdonald. This temporary truce had thus proved more advantageous to the leader of the Government than to the Hon. George Brown, the leader of the Liberal party before Confederation. Mr. Brown was the first Canadian statesmen to propose or advocate a Confederation or union of the scattered provinces. He is more entitled to be called "The Father of Confederation" than any of those who afterwards took part in the conferences on this question. "Whatsoever a man soweth that shall he also reap" has not been exemplified in the popular estimation of George Brown on the question of

Confederation, owing to a careless study of the complicated events of that period. To others has been largely given the credit that really belongs to him. After the Act of Union became law George Brown considered that he was no longer called upon to co-operate with Sir John Macdonald in the administration of the affairs of the country. Their private lives, personal habits and views of government were too different to long permit of intimate association. Brown resumed his old position as a political opponent of Sir John Macdonald's Government, but several of his influential supporters accepted portfolios in the new coalition Cabinet. Brown was defeated in the elections of 1867 and Alexander Mackenzie became leader of the Liberal party. When the Parliament of 1872 met, the Liberals who joined forces with Sir John in 1867, and who had not in the meantime been shelved by appointments to lieut.-governorships or to the bench, were as staunch supporters of the Prime Minister as his old and trusted followers.

Nevertheless, the political atmosphere had cleared. Party lines were again distinct. The necessity of party government in the Colonies is as clearly established as in the mother-country. There probably will be occasions in the history of government in every democratic country when political coalitions become a national necessity, but if such combinations are forced upon Parliament to too great an extent the tendency is more likely to be by concessions to a minority in the ruling body than government by

majority—administration by intrigue and cabal rather than by clear-cut issues in the open. This was the view taken by George Brown after the crisis that led to Confederation had past. It is not surprising, therefore, that in the Canadian Parliament of 1872 the Independents could be counted on the fingers of one hand. The most notable of these were Richard J. Cartwright, the promising son of an unbending Tory, who was steadily drifting towards the Liberal party, and Donald A. Smith, who claimed to be an Independent, but whose sympathies were with the Government of the day. There were also one or two from the maritime provinces, where party lines in Dominion politics were not so clearly defined as in Upper and Lower Canada.

Upon the Treasury Benches there was a galaxy of stars—the greatest aggregation of political talent that any Canadian Parliament has ever seen, with the exception of the Cabinet with which Sir Wilfrid Laurier met Parliament a quarter of a century later. The leader of the Opposition was supported by followers of equal strength. Master minds from all the provinces were gathered at Ottawa, and the two parties faced each other in grim earnest. In the previous Parliament the Opposition had fought a good fight, though handicapped by the fact that half a dozen former leading associates sat on the right of the Speaker.

This was the scene that the writer, then scarcely out of his teens, surveyed from the public gallery. What attraction Parliament could have for a lad I must

allow some one else to explain. And yet for me it had a strange fascination. Residing in Ottawa, then a backwoods town, where were neither theatres nor music-halls, and picture-palaces had not then been conceived, all my spare evenings were spent in listening to the debates. During the sessions the galleries of the Senate and Commons alike were always well filled by the general public. The accommodation was ample, and admission not difficult. During the six sessions which had been held at Ottawa friendly door-keepers had always reserved "a special seat for the lad," and, more frequently than not, failed to ask for my ticket. I seemed to have as much right in the gallery as members to a seat on the floor of the House. There was no senator or member whose name I did not know, or in whom I did not take a personal interest.

In my boyhood's years the Hill upon which the Parliament Buildings now stand had been the playground of my school. I remember the horror with which we discovered hundreds of men at work for the first time digging up the ground for the foundations. I had stood within a few feet of the Prince of Wales when he laid the corner-stone in 1860, and about which, in reply to His late Majesty's inquiries, I had the honour of telling him forty-five years later. I had watched with deep interest the magnificent pile grow to completion, so, at last, when Parliament met, I wanted to be the first in the gallery and the last to leave it.

I had been a witness to the hearty welcome by an

unanimous House, when, as the representative of the New West, Donald A. Smith had been introduced to the Speaker; and again, now more accustomed to his surroundings—a familiar and striking figure wearing a grey top-hat only out of his possession in order to conform to the rules of the House. It is no doubt a wise provision of Providence that we are not allowed to look into the future. If we could, perhaps, many would not care to venture on life's perilous way. Could I have lifted the veil, as I unconsciously turned my attention to Donald A. Smith, I would have read a strange romance. He was beyond middle life, I was beginning. He was a millionaire, I was starting to earn my own living. Within eight years I was drifting into a prominent part of public life in strong opposition to the ruling ambition of his life; again, five years later, a candidate for the House of Commons in a constituency into which a liberal contribution, to make sure of my defeat, was sent by his syndicate; as organizer of the Liberal party for many years fighting political forces that were strengthened by huge bulwarks of money from his syndicate, throughout the vast territory extending from the foot of the Rocky Mountains to the banks of the Ottawa river; and twenty-seven years after this historic session of 1872 I would have seen myself sitting in his library in Grosvenor Square, becoming personally acquainted for the first time. Both were occupying positions of responsibility in the Canadian Government service, and we calmly discussed the possible solution of a

problem that Cabinets had vainly tried for twenty years to solve, whereby the stream of British and Continental emigration might be diverted to the western prairies of the Dominion.

In how far Donald A. Smith had any personal knowledge about the secret agreement between Sir Hugh Allan and the Government, no conclusive evidence is available. He was one of the charter members and also on the Board of Directors. There is little doubt but that he found his place on the Board more nominal than otherwise. The original negotiations were between Sir Hugh and the Government, the Company was Sir Hugh's, and he was naturally the controlling factor. It is not unlikely that Donald A. Smith had ambitious designs beyond Sir Hugh Allan's charter. If he had, he certainly was keeping his own counsel. His journeyings to Fort Garry had given him an insight into what was being done in the way of railway construction in the western states. He knew what could be done on the great prairies of Canada. No member of the Government of the day, at any rate, had the slightest suspicion of his want of loyalty to Sir Hugh Allan. Donald A. Smith had been elected again as a supporter of Sir John Macdonald's Government. When Parliament, in the ordinary course of events, was called together, there was no public indication other than that the session would take the usual course. But the information had already reached a limited circle outside the friends of the contracting parties,

that an arrangement had been made between Sir Hugh Allan and Sir John Macdonald, whereby the head of the Allan Steamship Company, in consideration of the charter that had been granted to his company for the construction of the Canadian Pacific Railway, had paid large sums of money directly into the hands of Sir John Macdonald during the recent election campaign.

These payments were known in certain banking circles, so that the information eventually filtered through to parties who were strongly opposed to Sir Hugh Allan's Pacific Railway aspirations, and who were determined to bring about the nullification of the contract. To do so, they were bent upon getting the proof that money had actually passed between the high contracting parties, as well as any communications that might have passed between the Premier and Sir Hugh Allan; and any other documents in the possession of either party that were likely to furnish evidence in the case should be secured at all costs.

It was a foregone conclusion that the correspondence, if any, could only be of the most confidential character, and would scarcely be elsewhere than in the personal possession of the most trusted secretaries. The private secretary of Sir John Macdonald was known to be unimpeachable, so that there was no use trying there. Not so, however, were the confidential secretaries of the head of the great steamship line. One of them was discovered who was willing to betray his master, if the monetary consideration

was made satisfactory. All that was required was promptly forthcoming, and copies of all the correspondence, as well as many of the most important original letters and telegrams between members of the Government and Sir Hugh were produced. A cursory glance at these papers very properly led to the conclusion that, with the publication of these documents, the Government would be utterly doomed in the House of Commons so recently elected, and also that the exposure would render it impossible for Sir Hugh Allan to participate in any arrangement whatever, for the construction of the transcontinental railway. Meanwhile, Parliament was preparing to meet, neither political party conscious in the least degree of the mine that was being prepared for an extraordinary political explosion.

If the matter culminated as might be expected, there should be a chance for others to be in a deal with the Government for the charter. It was, however, absolutely necessary that no suspicion should attach to those who were advancing the money which was required to secure the evidence. Nothing is better understood than that to be party to a plot to secure possession of private and confidential letters, without the knowledge and consent of both the sender and the receiver, carries an everlasting stigma upon all concerned. However, it must be understood that evidence of a corrupt arrangement between Sir John Macdonald and Sir Hugh Allan once becoming public knowledge, it would be taken notice of by

Parliament, in view of its public character. It was admitted that no agreement of such a pernicious character could be allowed to go unnoticed by the highest tribunal in the land. The confidential secretary of Sir Hugh Allan, and those associated with him, considered it wiser to deliver everything to a leading member of the Liberal party, Hon. Mr. Huntingdon, who, it was said, cheerfully agreed to assume all responsibility for having possession of them. In this way it was hoped that the means taken to secure possession of the incriminating documents was not likely ever to become known to the public. The true source of the treachery of Sir Hugh Allan's confidants remained a mystery for many years. There is only one person living now who can give personal information about the matter.

The publication of the correspondence, showing the terms upon which the railway charter had been granted, and the confidential correspondence acknowledging that money had been paid to the leader of the Tory party by Sir Hugh Allan, created a tremendous sensation in the country. It was the one topic of conversation everywhere. The main facts could not be denied. The House of Commons referred the matter to a Royal Commission,[1] the membership of which was selected by the House. Both sides were represented on this tribunal. As the inquiry proceeded, the main point that the First Minister had agreed to give a charter for the construction of the

[1] Appendix, 2.

Pacific Railway to Sir Hugh Allan in consideration of the payment of certain moneys to an election fund was clear beyond question. All the links that were required to establish the case were supplied by the oral evidence of Sir Hugh Allan, who was faced in the witness-box with his own handwriting.

The Government manifested a degree of courage worthy of a better cause. When the first shock of the exposure had subsided, the Tory party largely ranged itself in support of its leader. He threw the glamour of his great personality over his followers, inasmuch as he had long been to them an object of pride and admiration. The action of the Premier was defended on the ground of the advantages likely to accrue to the country by the early construction of the railway, which could be so easily secured with the head of the Allan Steamship Line as the chief financial promoter.

It was very clear that no money had reached Sir John Macdonald for his personal use. All the money that he had received from Sir Hugh had been expended in order to advance the political fortunes of the party, and this to the average Tory was only one remove from the money having been actually used in promoting the interests of the country. Patriotism with them had but one meaning—partyism. To be faithful to the Tory leader was the highest type of a patriot. In addition, it was well known that a cardinal trait of Sir John Macdonald's character was that he never deserted a friend under any circumstances whatever.

This characteristic, on his part, naturally gave rise to corresponding expectations from his friends, and furnished occasion for the circulation of a *bon mot* from him, "that he had little use for a follower who only supported him when he was right, since even his opponents would vote with him then; but that he reserved all his admiration for those who would stand by him when he was wrong." If he could weather this storm every devoted follower knew that his reward in some substantial form would come soon. If, on the other hand, the party should be wrecked, he might manage to return again, when the faithful would not be forgotten.

VII

The situation in Parliament—Partyism and patriotism—Deputation to Lord Dufferin—Donald A. Smith's position—A political crisis in sight—Donald A. against his party—Resignation of the Government.

THE political parties in the House of Commons were not unfairly divided, although, of course, the Government had a working majority. The Opposition was in stronger force than in the previous Parliament. But in those early days of Confederation, party lines were not so clearly defined as they became in later years. Had this incident occurred ten years later, it might scarcely have caused a ripple on the political sea. It even seemed that the Liberals were to make no progress towards the Treasury Benches by this exposure. Apparently the supporters of the Government remained loyal to their chief. Outside of Parliament, however, it was confidently expected that the Governor-General, Lord Dufferin, would not permit such extraordinary conduct on the part of his Ministers to pass without notice. A memorial was presented to His Excellency, signed by all the Liberals in the Senate and the House of Commons, requesting him to cause an official inquiry to be made into the transactions between the Premier and Sir Hugh Allan,

as set forth by the proceedings of a Royal Commission. The memorial contained a statement of the salient points of the evidence. The Governor-General decided, before taking any official part in the controversy, to await the decision of the House of Commons on a motion of want of confidence in his Ministers.

In the meantime, amid the most strenuous protests from the Liberals, before a vote was reached on the motion of want of confidence, Lord Dufferin decided to prorogue Parliament. This was done in order that further evidence could be taken by the Commission. But the promise was publicly given that Parliament would meet again within a stated period. When the Houses reassembled the guilt of the First Minister in trafficking in the sale of a charter to construct the Pacific Railway had been proved beyond question. It was equally clear that he had received from Sir Hugh Allan a large sum of money towards the party campaign funds in consideration of the agreement. There were one or two minor desertions from the ranks of the Government supporters, but the majority remained faithful. It was evident that nothing short of an unexpected trend of events in the Commons, or drastic action on the part of the Governor-General, would bring about the defeat of the Government.

But the unexpected was about to happen. During these months when the country was seething with excitement, there was no suggestion or hint that Donald A., as the Resident Governor of the Hudson's Bay Company was familiarly called, was not in sympathy with his leader, or that he was looking at the

question with any sinister object in view. It was only suggested long afterwards that he had not shown surprise when the fatal papers were produced. This is not a matter of astonishment, because he was a member of Sir Hugh Allan's Board of Directors. As the debate on the motion of want of confidence in the Government continued from day to day his seat was seldom vacant. It has been said that the Premier became anxious about Donald A. Smith standing by him in the crisis, and that he endeavoured to get him into line by instructions through the Hudson's Bay Company in London. And that with this object in view he had cabled the late Sir John Rose, ex-Finance Minister of Canada, to assist him by enlisting the co-operation of the Directors of the Hudson's Bay Company. But Sir John Macdonald was too shrewd a student of human nature to attempt any form of coercion with one possessing the force of character so evident in Donald A. Smith. Of course Sir John Macdonald was not aware at this time that Donald A. Smith had secured a controlling interest in the Company, and that the Board knew full well whose good-will to seek. The inquiry occasionally floated through political circles: "What is Donald A. going to do?" Sir John had two or three interviews with him. What took place at these conferences afterwards led to bitter words between Donald A. and the First Minister. Sir John said that Donald A. consented to support the Government, but this Donald A. denied *in toto*.

One member of the House only was in Donald A.

Smith's confidence, and he was not in close touch with the leaders of either party. Only two or three in the whole country had the faintest conception of the vital interest he had in the confidential documents that had been produced, and which were hanging like a mill-stone around the necks of the doomed Ministers. But no one outside this confidential circle had any idea that Donald A. Smith had aspirations of his own, or that he had decided upon a course that, if successful, would have an important bearing on the future political history of the Dominion. It is not out of place to suggest that at this time the thought of getting possession himself of the charter for the construction of the Pacific Railway was taking definite shape in his mind. Here was laid the permanent foundation of his future. It was evident that unless an unlooked-for catastrophe occurred, the Government would win. The impending change, however, was already there. But the House was serenely unconscious of the approaching disaster to the Government which was so soon to be revealed.

The large galleries were crowded to suffocation on that clear autumn night, of November 5, 1873. There was not even standing room in the space usually allotted to the public. There was a strange lack of order or control. The Government was willing enough, if they were to win, that all the citizens of Ottawa and visitors to the capital should witness their triumph. If they were to lose it mattered little to them who saw it. On both sides of the Speaker's Chair the uninvited public pressed a way, as also at

the four corner entrances of the Chamber. They ranged against the walls behind the members' seats, some even venturing to sit on the arms of members' chairs. Neither members nor officials noted this invasion into the sacred precincts of the Chamber, or if they noticed, cared to interfere.

Apparently the last word had been spoken, and the clear voice of the Speaker, slightly tremulous, was heard: "Are the Members ready for the question?" Almost before the echoes of his voice died away, Donald A. Smith rose amid strained and intense stillness. A figure sombrely attractive at the moment, but lacking the air of professional dignity evident in many by whom he was surrounded; a face upon which lights and shadows seemed to flit, well covered with flowing sandy whiskers, eyebrows uncommonly bushy, the head crowned with golden-brown hair, all presenting an unusually well-preserved appearance for one who had passed his fiftieth milestone, although bearing but little resemblance to the dignified octogenarian with whom the present generation became so well acquainted thirty years later. His hearers, perhaps, knew better than he the fates that were dependent upon his views. If he stood by the Government the crisis might be postponed. To denounce them meant the crushing out of the last hope that Sir John Macdonald might have of weathering the storm. No wonder there was not a vacant chair in the House so soon as the word was passed out that Donald A. was on his feet. He began in a somewhat hesitating and doubtful manner. He

was not then, or ever, an attractive platform speaker, but belonged to the class that is sympathetically listened to. There was always about his public speaking an earnestness that overshadowed mere rhetoric. As he proceeded every eye in the House was turned towards him, and every ear strained. He expressed his regret that it had been found necessary to establish a case against the Government by the aid of the confidential documents which had undoubtedly been purloined from the possession of Sir Hugh Allan. He thought that the sanctity of private correspondence should never have been violated. He believed that nothing could justify a third party in receiving and retaining private and confidential correspondence, without the written consent of the sender and receiver.

The Tories waited for no more, radiant smiles illumined their faces, they shook hands with one another, and the Opposition was correspondingly silent. The Government benches broke into loud and enthusiastic applause. The Tory Whip excitedly whispered to those behind him to repair to the restaurant of the House. He was quickly followed by a score or more of Members, including three members of the Government, hurling defiant sneers at the front Opposition Benches as they passed. At the restaurant they filled their glasses "To the health of Donald A." For a few minutes the faint echoes of an enthusiastic crowd engaged in opening champagne bottles, mingled with strains of "Rule, Britannia!" and "God Save the Queen" reached the Chamber.

The Canadian House of Commons has a weakness for public exhibitions of excessive loyalty in times of political excitement. A party vote is taken to signify that "Britains never shall be slaves," and a victory on an important question of public policy finds expression in the National Anthem. The connection between a prayer that God may save the King and the question at issue between the political parties is not always very clear to an impartial observer. But for the moment a strain of anxiety may be removed, so some purpose is served and the way made smoother by a timely exuberance of this nature. Like charity, these outbursts of loyalty offer a cloak for many offences. While Tories found interest in these proceedings in the restaurant, Donald A. Smith continued his speech. His tone suddenly changed. It ceased to be mildly condemnatory of the means by which the present situation had become acute. There was an indication of harshness, and then he reached a phrase beginning with "But." It was evident that he was preparing to convince himself. The matter that followed set the Liberals cheering. Suddenly the noise from the "loyalists" outside ceased. A messenger had reached the restaurant with the alarming intelligence: "Donald A. has gone over to the Grits," a favourite term of derision then applied to the Liberals. There was a hurried return to the Chamber, many glasses of champagne being left untasted. The dismay of the returning party, which had left so joyously a few minutes previously, covered them as with a garment.

With the manner of one thoroughly in earnest, but whose special gift was not oratory, Donald A. Smith proceeded to moralize on the heinous offence of bartering a public charter for political profit. The Canadian Parliament should be kept as pure and clean as the Imperial Parliament. Private interests should never be allowed a place in the legislation of the Dominion. With much more of like import he was repeating exactly what the giants of the Liberal party, MacKenzie, Blake, Cartwright, Dorion, Holton, Huntingdon, Jones and a host of others, had been saying for days. With his strong native accent, his earnestness and sincerity, every word fell like a sledge hammer on the hopes of the administration.

He was followed by an ardent Government supporter, in a vain hope that the tide might be stemmed, but there was a feeling in the air that all talk now was useless. When the Premier moved the adjournment of the House in the early hours of the morning, no vote having been taken, it was well known that before sunset of another day, the resignation of the First Ministry under Confederation would be in the hands of the Governor-General.

The unbridled imagination of contributors to British periodicals picturing a wild tumult in the House of Commons, with Sir John Macdonald crossing the floor of the House and striking Donald A. Smith, is without the slightest foundation. The scene in the late hours of that historical day was worthy of the highest traditions of the British Parliament. As the Speaker repeated the usual formula, "This House

stands adjourned until to-morrow at three o'clock," there was an unusual tremor in his voice. The Prime Minister rose quietly and retired by the exit behind the Speaker's Chair. The writer stood beside the Speaker's Chair, and is among the few now living who were present on that memorable occasion. Although Sir John's face was flushed with the realization that the hour of his defeat had come he gave no evidence of his humiliation. In all his career he never acted more nobly than when, with apparent calmness, he accepted the unexpected verdict, not even challenging a division of the House. The rhetorical thunders of a week had suddenly given place to a great calm. A pall of silence hung over the Chamber. The leaders of the Opposition sat quietly at their desks. Here and there little knots of Members conversed in undertones, the larger number gathering around the desk occupied by Donald A. Smith and David Glass, the two Government supporters who had "bolted." The terse demand of the former for an incorruptible Parliament, and his denunciation of a corrupt Ministry, had precipitated the political catastrophe. History had been made since the Members gathered together in that evening session. An almost invincible political leader was going out of office under a terrible cloud. The importance of the hour made it full of solemnity. That there were pent-up feelings of exultation on one side, and seething resentment on the other, there could be no question. But the statesmen of that day were warriors, not hoodlums.

Both sides withdrew from the House for the night

amid a more bitter feeling than Canadian politics had ever known, and yet with a singular suppression of outward excitement. Donald A. Smith's speech had undoubtedly hastened the downfall of the pride of the Tory party—for so was Sir John Macdonald regarded. The fall carried with it a cloud upon the reputation of the great chief, which, though Canadian Toryism of to-day would gladly forget, time cannot altogether remove. The Tories of 'seventy-three, however, would have had abundant cause for consolation had they foreseen that this was not the only Government that Donald A. Smith would succeed in wrecking. His recent political associates were bitterly accusing him of want of loyalty to his chief in the hour of his greatest need. They could not understand that any justification was possible for withdrawing confidence in a political leader. To do so was in their opinion the basest treachery. According to the political ethics of the Canadian Parliament, when a leader is wrong is the time that party disloyalty is least permissible. No loophole is left for the exercise of either conscience or principles. But the rank and file of the Tory party might have been less harsh in their judgment of Donald A. Smith at this particular time had they known that his new political associates would later have even more cause for dissatisfaction with his transient support. The subject of their scorn, however, went his way silently, as he had long since learned to do. He was carving out a path for himself.

VIII

New Government in power—Donald A.'s railway purposes—Guarding the nation's heritage—Alexander Mackenzie—Lord Dufferin's speech—Tory hatred of Donald A.—Intriguing for a charter—Meeting with a patriot.

A NEW Government came into power, and another general election was held. Donald A. Smith came back to the House of Commons as one of the most influential supporters of Alexander Mackenzie's administration. During the campaign in Selkirk Donald A. had quite a new experience, extraordinary also in view of the fact that only a few years previously he was the autocratic ruler of that part of the world. Settlers from the east had poured into Winnipeg and Selkirk since his election two years previously. Among them were many warm admirers of the deposed chieftain, Sir John Macdonald. They bitterly resented Donald A.'s desertion of their idol. At his first public meeting they attended in force, abundantly supplied with eggs of an uncertain age. By the time they got through with their work, none of the occupants of the platform were recognizable. These forces were led by a gallant colonel now residing at Eastbourne. But more extraordinary than all was the fact that Donald A. had as associate member for the

West the ex-rebel Louis Riel, who had been elected by his compatriots. Louis Riel came to Ottawa, quietly entered the House, took the oath, signed the Roll of the House of Commons and disappeared before he was generally recognized. A warrant was issued for his arrest. He was assisted by friends to escape to the United States. Had he been granted an amnesty as his friends claimed he was promised, and been allowed to take his seat, the odds are that the horrors of the second North-west Rebellion would never have occurred, and a great deal of racial bitterness in future Canadian public life would have been avoided.

Alexander Mackenzie, the newly elected First Minister, as his name indicates, was Scotch. Little more than a quarter of a century had elapsed since he, as a young immigrant, worked at his trade as a stonemason on the fortifications then being erected at the head of the St. Lawrence River. Taking every advantage of the rapid changes incident to the development of the country, he was quickly able to improve his circumstances and associations. Natural ability, force of character and strict integrity soon pushed him into prominence in the young country, resulting in his election to the old Parliament of Upper and Lower Canada a few years before Confederation became an accomplished fact. At the first session after the union of the provinces he was elected leader of the Liberal party. This was the man whom the charter-hunters hoped to influence.

The Pacific Railway Scheme was in the forefront

when Alexander Mackenzie took office. It dominated the public life of the day. The recent scandal accentuated the situation. Because of the exposure growing out of Sir Hugh Allan's efforts to get possession of the charter for the construction of the railway, the Prime Minister had only too good reason to believe that there were others just as anxious as Sir Hugh to have an interest in it. He, therefore, took charge of the Department of Public Works himself, as a notice to wire-pullers that their efforts to direct the policy of the department would be useless. British Columbia had entered Confederation under an arrangement that the railway should be completed within ten years. The province was clamouring for some sign of the promise being carried out, but the outlook was far from encouraging. The new Government was evidently determined not to be forced into the declaration of a policy without careful consideration. For a while the view was expressed in influential circles outside that there was no way out but for the work to be handed over to a company. Speeches of Ministers failed to give a definite indication of the policy likely to be adopted, except that an exhaustive survey of the routes would be vigorously prosecuted. The country, in fact, impatiently waited an announcement of the Government policy.

Finally the First Minister intimated the date when the intentions of the Cabinet would be made public. It was to be on the occasion of the annual statement about the progress of the surveys. The importance of

the hour was recognized by a full attendance of Members and the crowded public galleries. The Prime Minister was very practical, and with great earnestness he declared that the policy of his Government was to construct and maintain the railway as a Government enterprise, and to proceed with the completion of the work as quickly as the resources of the country would allow. In a moment the Members grasped the full meaning of the announcement, and loud and hearty applause rose from both sides of the House. The country received the declaration of the Government policy with enthusiasm. The national pride was aroused with the definite prospect of the great national undertaking. British Columbia, meanwhile, thought that the term "as quickly as the resources of the country would allow" indicated delay, and appealed to the Colonial Office to force the Government to carry out the exacting terms of the arrangement by which it entered the Confederation. The province talked about seceding.

It was decided that the Governor-General, Lord Dufferin, should visit British Columbia in a diplomatic capacity in order to pacify that distant Province. He found the public men there very demonstrative in their determination to have the full pound of flesh. "The terms and nothing but the terms" was the cry on all sides. For the moment he forgot his position as the constitutional head of the country, and was stampeded into views inconsistent with the policy of the Government. The province wanted

the railway at once, whether the finances of the country would stand the strain or not. Upon his return to Ottawa Lord Dufferin was met at the railway station and presented with an address of welcome by the mayor and council. In the enthusiasm of the moment he made a speech which was practically a reflection on the Government policy, and this, also, in the presence of members of the Cabinet who had come to bid him welcome after his long journey. The consternation of the moment overshadowed everything else, and the opponents of the Government were jubilant. "The Cabinet repudiated by the Governor-General" went through Ottawa like a flash of lightning. Lord Dufferin looked as if he would like to bite his tongue off as he departed for Rideau Hall.

The only verbatim report of Lord Dufferin's speech was in the hands of Mr. George Holland, of the *Daily Citizen*, the ablest shorthand reporter in Ottawa. In the course of an hour or so, after Mr. Holland had transcribed his notes, it was represented to him that it might be regarded as discourteous by the Governor-General if he was not shown a copy of the speech before publication. Mr. Holland accordingly went to Government House, had an audience with His Excellency, and gave him a copy of the speech. In the course of conversation Lord Dufferin asked Mr. Holland what system of shorthand he used, and if he had his notes in his pocket, as he (Lord Dufferin) could read shorthand fairly well. Mr. Holland had

good reason to be proud of his stenographic characters, so frankly handed his notes for Lord Dufferin's examination. After complimenting him on the clearness of his style, which His Excellency said he could almost read, Lord Dufferin calmly pocketed both transcript and note-book, and gravely told the obliging journalist that the matter was too important to be hastily settled, but he invited the speechless reporter to lunch on the following day, when between them they would put the speech in order for publication. The journalist pleaded for his note-book, he was willing to wait all night for His Excellency's convenience. But his lordship was obdurate, he said he was not accustomed to exert himself so soon after a long journey. The speech was never published. The Governor-General and Mr. Holland met the next day at lunch and fixed up a report for publication, and all summaries of an objectionable character were unhesitatingly repudiated. Lord Dufferin had scored, and ever afterwards entertained the most friendly feelings for the journalist whom he had cheated out of his copy.

The "incident" of the Governor-General's speech, if not forgotten, at least ceased to engage attention, and the policy of the Government remained unchanged. If the financial resources of the country would justify the immediate construction of the railway, it would be done; but, at any rate, the work would not be proceeded with more expeditiously until the completion of the surveys. British Columbia,

through its representatives at Ottawa, raged. The Government was conciliatory but firm. The disturbed state of the political atmosphere on the question, however, furnished hope for possible changes in the Government policy. Donald A. Smith began to follow out well-laid plans to direct a change in the decision of the First Minister, and bring to fruition the dream of his heart. Now he was not alone. The more influential of his personal and financial associates were taken into his confidence. It was not revealed until long after that these associates had firmly determined to support any government that would comply with their wishes on the question of a charter for the construction of the Pacific Railway; and, also, that they would do their utmost to wreck every government refusing to give them all they wanted.

Donald A. Smith was recognized, as he publicly declared himself, as being in cordial sympathy with the Government. In many questions of public policy he was taken into the confidence of members of the Cabinet. At that time none of the Liberals questioned his single-mindedness in deserting his late political leader. How could that be questioned when he condemned the action of his own associates on the Board of Directors of Sir Hugh's company? But the Tories, whether they believed it or not, did not give him so much credit for purity of motive. His former political allies openly charged him with sinister objects. In the House, both politically and socially, he had everything in common with the administration.

In point of fact, there was no other place for him. The Tories were more bitter against him for their humiliating downfall than toward the actual purloiner of Sir Hugh Allan's letters. The threatenings that Saul breathed out against the disciples at Jerusalem were mild in comparison to the revengeful spirit with which the Tories were animated. Nothing but unrelenting vengeance from them was to be his portion. These mutterings were heard from the chief down to the least important in the ranks of the party. Such personal bitterness had never been shown in Canadian politics, nor has it ever been so signally expressed since. Tories embraced every opportunity of publicly deriding him about his speech on the sanctity of confidential correspondence. When he rose to address the Speaker it was a signal for a general exodus from the Tory side of the House. Nothing was left undone to express their personal contempt. And, at the same time, they were circulating rumours of a most offensive character about his connection with the conspiracy to get possession of Sir Hugh Allan's letters. The apparent indifference which he exhibited to all that his former political allies said or did was more than interesting. He had too many more important matters in hand to permit a waste of time or thought over threatened Tory vengeance. Donald A. Smith believed that sufficient unto the day was the evil thereof. Like the well-known quadruped of nursery fame, "Brer Rabbit, he lay low."

Looking back upon the events of that time one

cannot but be impressed with the caution and shrewdness with which Donald A. Smith now entered upon a carefully prepared campaign with the party in power. The Government was strong both in the House and the country. Everywhere the demand was clear that the country should construct and own the transcontinental railway. It was regarded as impolitic and unwise from every standpoint that a corporation should possess that franchise. It would have been a brave act on the part of any man to have given utterance to any other view. Yet, with all these forces arrayed against him, Donald A. Smith pursued the even tenor of his way, with but one thought in his mind. His natural cleverness had not been blunted by the life he had lived for thirty years. The accepted axiom, that as "iron sharpeneth iron so a man sharpeneth the countenance of his friend," was abundantly exemplified with him. If courageously pursuing an object, regardless of all obstacles, could bring success, he was bound to succeed in some form or another. In accepting confidences and giving none, while appearing to be most unreserved in his manner, he had no peer in British North America. And he was playing for tremendous stakes.

Notwithstanding the First Minister's declaration of policy, Donald A. Smith lost no time in presenting to Alexander Mackenzie his views about the advisability of the railway being constructed by a company. But the fine old Scotchman who then directed the policy of the administration soon disposed of the specious

arguments that were presented to him. "I will leave the Pacific Railway as a heritage to my adopted country," was the First Minister's final word, uttered with that rich Gaelic accent that he never lost. In the depths of Donald A.'s heart he must have wished for strength to throw personal and selfish ends to the winds that he, also, might join the magnificent patriot whose native honesty no personal or political interests could ever destroy. It was a character he was bound to admire, though reluctant to follow. Later in life Alexander Mackenzie stigmatized the proposal to hand over the great enterprise to a company as the basest treachery to Canada, and declared that none but traitors could be guilty of it.

The Premier having proved obdurate, it was evidently not considered wise to press the matter just then. For this reason the tactics of the charter-hunters changed. Strenuous efforts were made to bring the Liberal Members to see the question in the desired light. Donald A. Smith's residence, "The Cottage," became the scene wherein was played a scarcely-perceptible intrigue. It was carried out so carefully that only the faintest suspicion of wire-pulling was ever created, and this was almost immediately dispelled. Two brothers in the House at that time, Lewis and Walter Ross, were almost the only ones who looked upon Donald A.'s actions with vague and undefined fears. The former told the writer in later years that he could not understand how they were all so wanting in judgment at that time,

and gave the reasons why he and his brother did not like the look of things. Their fears were attributed to their intense loyalty to the Prime Minister, "clannishness," as it was termed, good-naturedly, by some of their fellow-members.

With a lavish hand, hitherto unknown in political life in Canada, Donald A. dispensed hospitality to all the Liberal Members. No Tory would grace his table, or even exchange ordinary courtesies with "the traitor." The loss of office was too recent, and the part that Donald A. had played on that occasion still rankled. To the Tories Donald A. was an outcast, beyond the pale of political redemption. But the enthusiasm with which he was treated by the Liberals amply compensated for the maledictions of his former allies. The open and avowed hatred of the other side drew the Liberals all the closer to him.

IX

Donald A. and the American railway—The Dutch bondholders—Negotiating with the Official Receiver—Borrowing from the bank—Issuing stock to themselves—In a tight place—Fortune suddenly realized.

In the meantime events were transpiring in the western United States fraught with stupendous possibilities to Donald A. Smith. As the Liberal Government at Ottawa seemed wedded to its railway policy the advisability of making an effort to get possession of a railway line that could be extended from St. Paul and Minneapolis to Manitoba was considered. Donald A. was well acquainted with the details of this from his frequent journeyings to Fort Garry through St. Paul.

The history of this line is not without interest. In March, 1857, the Congress of the United States granted to Minnesota, then only a territory, but now one of the most populous States of the Union, a vast area of public lands to be used to encourage the building of railroads. During the same month the territorial legislature chartered the Minnesota and Pacific Railway Company. To this corporation was conveyed much of the land granted by Congress, subsequently supplemented by further grants. These

consisted of all odd numbered sections (640 acres each) within ten miles on both sides of the railway. In 1862 the rights and franchise passed to a new company called the St. Paul and Pacific Railway. Companies succeeded each other in rapid succession. Five separate issues of bonds were unloaded upon Dutch capitalists. The last company in possession of the franchise ceased to pay any interest in 1872. Then the United States District Court stepped in and appointed Jesse P. Farley, of Dubuque, Iowa, Official Receiver to the Company, and authority was secured to complete the line to a certain point up the valley of the Red River and thus earn a clear title to all the available land grant. This Farley succeeded in doing.

The railroad ran along the Red River towards Manitoba. Farley thus far honestly administered the trust committed to his care. With the opening up of a new locality to immigrants the revenue increased, and the surplus was used in improving the road-bed, and purchasing rolling stock.

With the three years of the Parliamentary term of the Mackenzie Government that had passed, the prospects of a syndicate getting control of the Pacific Railway in Canada faded into mist. Donald A. Smith was convinced of the advisability of making a deal with the Receiver of the Minnesota railway so as to continue it to the borders of Manitoba, and then secure legislation at Ottawa to connect the American line at Pembina with Winnipeg. If this were done

Winnipeg at least would have railway connection with Eastern Canada within two or three years.

The railroad of which Farley was Receiver, however, was burdened with five bond indebtednesses, all held in Holland. The dates of issue were: 1862, $1,200,000; 1864, $3,000,000; 1865, $2,800,000; 1868, $6,000,000; 1871, $15,000,000. The last had been sold in Holland by the banking-house of Lippman, Rosenthal & Co., of Amsterdam, to trusting Dutchmen. The aggregate liability to the bondholders was $28,000,000 or £5,600,000. It was thought possible, under certain conditions, that Farley might find occasion to point out to the Dutch investors how hopeless the outlook was for them ever to get their money out of the enterprise.

Several years earlier J. J. Hill, a Scotch Canadian, had settled in Minnesota. For six years previous to this date he had been local agent for Farley's railway. He became acquainted with Donald A. Smith as he passed up and down in his journeyings to Fort Garry. They were fellow-countrymen, mutual confidences were natural, and they became fast friends. In the middle 'seventies Donald A. Smith sent for "Jim" Hill to come to "The Cottage" at Ottawa. A plan was settled upon and Hill returned to Minneapolis to sound Farley about selling out the whole concern to a syndicate of four—Donald A. Smith, George Stephen, of Montreal, J. J. Hill and Norman Kittson, the latter being a Canadian who ran steamers up the Red River from the terminus of Farley's railway.

Farley subsequently alleged that the profits were to be divided into fifths; his share in the meantime, since he was custodian in trust for the Dutch bondholders, was to be held by one of the other four. Farley regarded it as his clear duty not to give the case away by allowing the bondholders to have too rosy visions as to the ultimate return of the large amounts they had loaned. When the bonds were offered, their security had appeared unquestionable. Much later events proved that their estimation of the value of their bonds was anything but exaggerated. But when that information reached them it was too late.

It was the intention of the syndicate that J. J. Hill should go to Holland to buy up the bonds at their depressed value. Farley, however, wanted all these negotiations left in his own hands. As the result of his correspondence with Amsterdam, the Dutch bondholders sent a representative to Minneapolis to see what was going to be done about their money. The encouragement that he received from Farley convinced him, after a controversy extending over several weeks, that $6,000,000 or £1,200,000 for the £5,600,000 that had been invested, was all that the properties of the Company could ever realize.

In the back parlour of a little hotel in Minneapolis an agreement was outlined between the Dutch representative on the one hand, and J. J. Hill, Donald A. Smith, George Stephen and Norman Kittson on the other, and put into shape by a young man from

Hamilton, Ontario, named Rennie, duly transferring all the bonds on the line for the sum of $6,000,000. The parties afterwards signed a joint note for the amount of the purchase, including an additional $780,000 expenditure necessary for contingencies. The cash was advanced by the Canadian Bank, of which Donald A. Smith and George Stephen were directors, and paid to the Dutchmen at Montreal, where a more elaborate legal document was signed between the parties. Farley, because he was a court trustee, while acting as Receiver, could not be an actual party to the agreement. No writing could be given to him guaranteeing him a fifth share in the enterprise, but the fact that one of the four held a right to two-fifths of the profits was part of the basis of Farley's contention in later years that he was entitled to a fifth in the enterprise for the part that he had taken in persuading the Dutchmen to sell their securities.

The syndicate became incorporated as the St. Paul, Minneapolis and Manitoba Railway, and issued paid-up capital to themselves for $15,000,000 (£3,000,000),[1] no trace of any consideration for which ever reached the coffers of the Company. Smith, Hill and Kittson were allotted 28,823 shares, being about one-fifth each, and Stephen's share was 19,216 shares, one-half of which it was subsequently alleged was to be held in trust for some person not mentioned in the agreement. This division of interests subsequently became the subject of extended and costly litigation, and is fully reported in File No. 257 of the Supreme

[1] Appendix, 3.

Court of the United States, 1893. But this is another story.

The Company as now constructed issued bonds for $16,000,000 (£3,200,000),[1] and unsuccessful efforts were made to sell them in New York and London. Rumours had reached these financial centres as to the "deal," and it was feared that the disastrous fate which had overtaken the Dutchmen might be repeated. In the meantime the consequences of withdrawing £1,200,000 from the Canadian bank had a depressing effect on the stock, which steadily declined from over 200 to 126. The one thing that might ease the money-market, and allow the bonds to be dealt with, was an assurance that the railway would be extended to Winnipeg. Donald A. Smith, therefore, introduced a Bill in the House of Commons, known as the Pembina Branch Railway Bill, to authorize the construction of the necessary connection to Winnipeg through Canadian territory, a distance of sixty miles. The Bill passed the House of Commons, and there seemed no reasonable cause why it should not find an easy passage through the Senate. With this prospect the immense possibilities of the railway were only too evident, and a profitable market was found for the bonds.

Donald A. Smith had succeeded. At last his star was within reach. The indebtedness of the syndicate to the bank, then amounting with interest to $7,000,000 (£1,400,000) was paid, leaving about $8,500,000 (£1,700,000) profit, or $1,700,000 (£340,000) to each share of one-fifth of the enormous speculation.

[1] Appendix, 3

By this successful *coup* Donald A. Smith and his associates immediately came into possession of 565 miles of a completed and fully equipped railway, with 2,580,660 acres of the finest wheat-land in the world running alongside of the line. Upon this property the Company had not expended a penny of their own money—the stock issued to themselves was fully paid up—and the money necessary to manipulate the deal had been borrowed from the Canadian bank. At that time directors of banks in Canada had a perfectly legal right to borrow from funds entrusted to their charge. Owing, however, to this power having been greatly abused, the authority of directors became a subject of Parliamentary discussion in later years, resulting in amendments to the Banking Act which practically prevents such acts as the one under consideration being repeated at the present day. On the face of the transaction there was no risk whatever of the bank funds, and there was a great opportunity for the interested parties coming out of the speculation with enormous profits. The situation of the railway in the west had been presented to the Dutch bondholders in such a manner that they were willing enough to sell. The children of the Exodus had been commanded to spoil the Egyptians, and therefore why should not this Company spoil the Dutchmen? How thoroughly they were spoiled subsequent events in the United States Courts proved. It was worthy of the Israelites!

X

Tory insults to Donald A.—Intrigues for Pacific charter—Senate taking revenge—Failure of intrigues—The Government obdurate—Historical scene in House of Commons.

WHILE Donald A. Smith and his associates were reaping a colossal fortune from the success of their United States railway speculation, matters were taking a far from satisfactory course at Ottawa. The Pembina Branch Railway Bill was rejected by the Senate. It was well known that its passage was greatly desired by Donald A. Smith as the one thing necessary to make his railway deal a huge success. The Tories were in a majority in the Senate. The Second Chamber of the Canadian Parliament is an integral part of the Constitution, designed, like the House of Lords in Great Britain, to protect the public against ill-advised or hasty legislation in the popular Chamber. The Senators are expected to review Bills from the Lower House with judicial calm and free from party bias. As individuals, members of the Senate, however, are only human. There were many there who had not forgotten the "traitor" who had hastened the downfall of Sir John A. Macdonald's Government in 1873. Some of them burned with a desire to carry the Pembina Branch Bill back to the House of Commons with a pair of tongs. Within the

Red Chamber the teachings of the Old Testament, "an eye for an eye," are not unknown to have been religiously observed. The Tory Senators contented themselves, however, with refusing to pass the measure for strong Imperial reasons—the inadvisability of permitting the trade of the Dominion to be carried over the United States railway system, while the Government of Canada was hurrying the construction of railway connection through Canadian territory.

The Parliament was almost at an end, the last session of its existence having been reached. For five long years Donald A. Smith had wined and dined the Liberal Members. At the end of that time, although some were less opposed to the idea of a Company constructing the Pacific Railway, the Prime Minister was immovable, and a still greater obstacle existed in the fact that both Parliament and the country had enthusiastically approved of the Government policy that the railway should be the property of the country. Some thirty million dollars (£6,000,000) expenditure had been authorized by Parliament towards the construction of the Pacific line. Contracts had been awarded for the heavy portions of the route located between the Great Lakes and Winnipeg, the Premier asserting that this would make it impossible that the great highway should ever pass into the hands of a company. To outsiders it seemed that those who were anxious to get control of the Canadian Pacific Railway were now completely barred from progressing with their scheme.

But Donald A. Smith and his co-workers were not discouraged. They had far from exhausted the resources at their disposal. The exact course to be taken in the future to bring the Government to time had, perhaps, not been decided upon. Then an incident occurred on the floor of Parliament that, apparently, left Donald A. Smith no other place in public life than in the ranks of the Liberal party.

The hour for the Prorogation had arrived. The attendance of Members was larger than usual. All around there were evidences of early flitting. The House was patiently waiting for Black Rod. Donald A. Smith entered the Chamber somewhat hastily and had scarcely reached his seat before he began to address the Speaker. In his hand was a carefully folded newspaper. He complained about an uncalled-for and totally unjustifiable reflection upon his personal honour in a speech made by the leader of the Opposition, Sir John Macdonald, the day before, a report of which appeared in the paper which he proposed to read to the House. In a moment the Chamber was in a turmoil. Above the general uproar and shouts of "Order, order," could be heard the terms—"Treacherous," "Liar," "Cowardly," "Yankee railway," "Dutch Bondholders," and much else that was unparliamentary. The distant booming of the guns announced the arrival of Lord Dufferin at the Senate Chamber, there to await the presence of his "faithful Commons," but His Excellency's "faithful Commons" were otherwise engaged. Sir John

Macdonald, Dr. Tupper, Mackenzie Bowell, John Rochester, Dr. Sproule and a host of others were shouting themselves hoarse and gesticulating wildly at the object of their scorn. Donald A. Smith stood calmly watching the turmoil and waiting his chance to continue his remarks. In the five years that had elapsed since he denounced his political chief, grey hairs had appeared. He had less of the western appearance, but his figure was as impressive and fearless as ever. Now he seemed the least disturbed member of all that crowd. The noise of the row reached the lobbies, and a few who had ventured inside the doors, among whom was the writer, were forced nearer the Speaker's Chair by the crush behind. Dr. Tupper (now Sir Charles, the veteran octogenarian) finally got the floor. The uproar increased in intensity, as both sides now took part, the Liberal Benches shouting at Tupper. It was a sight to make sluggish blood tingle!

The loud raps of Black Rod at the door resounded throughout the Chamber. The Speaker tried in vain to be heard, but the contestants were in for a battle-royal, determined to fight it out. It was now not merely between Donald A. on the one side, and Dr. Tupper on the other, but each side of the House wanted the defence of its representative to be recorded in *Hansard*. The Speaker resumed his seat. Black Rod impatiently waited outside. *Hansard*[1] gives some vague idea of the scene, but much that was unparlia-

[1] Appendix, 4.

mentary was unheard or omitted. The washing of dirty linen could not be stopped. Private and confidential conversations between ertswhile intimate friends, never intended for the public, were announced from the housetops. Dr. Tupper shouted, "You asked me to get you made a Privy Councillor," and the House was startled into surprised silence for a moment. The general situation proved that if their inner thoughts are exposed great men are very human—only boys grown up. If those taking part in this *mêlée* had been other than Members of Parliament their reputations would have gone for ever, for the record is irrevocable.

The Serjeant-at-Arms tried to notify the Speaker that a messenger from His Excellency requested admission, but his effort was in vain. Black Rod knocked again and again, but he might as well have knocked at the portals of a tomb. Finally the Speaker motioned towards the door and Black Rod entered. He bowed profusely as usual, and his lips moved, but no sound reached the "faithful Commons." The Speaker stood and evidently made an announcement, which was not heard beyond his immediate vicinity. The speakers, addressing one another, fought on with unabated fury. With all due dignity the Speaker stepped down from the dais, the Serjeant-at-Arms shouldered the Mace, and preceded by Black Rod, they slowly entered the lobby leading to the Senate. Immediately following came the Members of the Government, among whom was a tall straight figure, with a handsome

youthful face, carrying with becoming dignity the lately-acquired honours of a portfolio in the Government, who was destined, ere a quarter of a century could roll by, to occupy the greatest place in the public eye ever reached by a colonial statesman. After the Cabinet followed as excited a mob as ever disgraced the floor of a Parliamentary chamber. With a determination to be as near the storm centre as possible, the writer rushed towards Donald A. Smith. As the crowd from both sides of the House met in the passage, angry Tories, with arms uplifted as if to strike, pushed and hustled towards the object of their hatred. There were several others with myself, who, for obvious reasons, had no right to be there, but messengers and doorkeepers had lost their heads as well as the people's representatives. The crowd swayed to and fro, and the writer found himself beside Donald A. Smith just as Tory members reached out to strike his grey top hat, one of whom was my own uncle. In the rush of friends to avert the blow I was thrown against my relative, for whom I had not voted at the last election, and whose regard for me was even less friendly than his opposition to Donald A. It was a shuffling and slightly dishevelled crowd that finally reached the Senate Chamber, but once inside those dignified precincts the frenzied excitement quickly subsided. Thirty years afterwards, sitting in Lord Lytton's library at Knebworth, when Lord Strathcona held the tenancy, we compared our recollections of the events of that hour. He then said that he looked upon that experience as one of the most exciting in his life.

It is necessary to read the Parliamentary record to thoroughly understand the bitterness in the political life of the Dominion at that time, and to appreciate the force of the cross-currents that swept around Donald A. Smith at that period.

It would have both interested and perplexed Donald A. Smith if at this juncture he could have lifted the veil and looked into the future, to see himself within six months secretly taking part in the rejoicings of his political enemies. To see their leader and every one of his followers within two years the unconscious instruments of his plans, and the hearty supporters of the personal project that had become the dream of his life, would have been pleasant; to see one who was then hurling insults at him from the back benches the object of a treacherous conspiracy on the part of his own selected colleagues, when a word from him would prevent his deposition from the position of Prime Minister, would have entirely satisfied his longing for revenge. And if he could have seen the noisiest of that unruly Parliamentary mob a more subservient instrument and ostentatious admirer for twenty years than all the Canadian politicians who were destined to fall down and worship him, it would have formed a fitting climax to make the vision complete. Perhaps more extraordinary and less satisfactory to contemplate would be the sight of his own hand turned against those who were now giving him their sympathy, as they had given him their unsolicited support upon the question that was the cause of the disturbance then taking place.

XI

Undiscovered intrigue—Before the elections—Elections postponed—Effect of chance conversation—The tempter again—Donald A.'s election—Corrupt practices—Loan to the Judge.

THUS closed the first Parliament controlled by the Liberal party since the inauguration of Confederation. It was not until long afterwards that the Tories discovered the intrigue which had been quietly developing during the five years that had elapsed since they were driven from office, by a syndicate desirous of securing a charter for the construction of the Canadian Pacific Railway. Tory leaders were not even aware that the wire-pulling had proved abortive, and that because of the failure to turn Alexander Mackenzie from his patriotic determination to leave the great transcontinental highway as a heritage to the Canadian people, tremendous weapons were to be offered to them, which, if discreetly used, would materially assist in returning them to power again. Equally unsuspicious were they that "the arch-traitor," as they continually called Donald A. Smith, was seriously debating in his own mind whether he should not sever his connection with the Liberal party. But the closing scene in the House of Commons made such an announcement impossible. It was years before this information filtered through to the general public. All that was

known was that the charter-hunters, whose sole object was to secure possession of what the Government of that day declared to be the nation's heritage, had found themselves confronted by an administration which had remained serenely unmoved in spite of every influence they could exercise. With this Ministry in power their efforts were wasted. In order to secure a franchise, which must in the long run make its possessors wealthy at the public expense, it was evident that new tactics must be tried. They measured the possibilities in the other political camp, and decided that nothing should be left undone that would bring about the defeat of the Mackenzie Government. Their influence was widespread, their plan of campaign well laid. No gamblers ever played for higher stakes. The game was to play with loaded dice, and the players' identity remain hidden and secret.

The general election campaign of 1878 offered unusual opportunities to discredit the Liberal administration. For two or three years the revenue had not equalled the expenditure. This necessitated the strictest economy in the public finances. Canadian politicians, as a class, invariably stand pledged to economy when appealing to the electorate. Yet it is very doubtful whether the electorate in any country really approve of too economical an administration. Since Confederation, no Canadian Government has been defeated at the polls because they had the courage to sanction liberal expenditures; while more than one Government has been forced out of office

on account of its studied economy with public moneys. By a certain class of politicians, Alexander Mackenzie's attitude in regard to the finances was considered the greatest offence against the public morals that the administration had been guilty of.

The Government had also refused to adopt the policy of Protection that was energetically demanded in the interest of the manufacturers. A period of severe financial depression was being experienced in commercial circles, and the Tories strongly advocated an increase in the tariff as a panacea for all public ills.

The Government had made preparations for a short campaign. In the latter part of April, 1878, the writs were all ready to issue, so that the polling would take place in June. A Member of the Government, Sir Richard Cartwright, happened to mention this to a former Member of the Cabinet, Hon. Edward Blake, the day that the decision had been reached, at a chance meeting at a railway junction. Mr. Blake had withdrawn from the Cabinet for personal reasons, but he immediately pressed on the Premier the advisability of postponing the elections until the autumn, in the hope that a good harvest might prove to the general advantage of the Government. Notwithstanding the persistent advocacy of the earlier date by his colleagues in the Cabinet (and they were practically unanimous on the question), the First Minister decided to take the advice of his old colleague and postpone the date of the elections. An election in June would have been practically a walk-over for the Government. This was the opinion of both sides for long afterwards.

Time was what the Tory leaders wanted. Sir John Macdonald still led the Tory forces, and he never showed more ability in directing a popular campaign than on this occasion. He seized this opportunity to carry on an educational propaganda, and also promised in terms which left no room for misunderstanding, unbounded prosperity through an increased tariff. He needed time in which to make the party's financial arrangements. His organization centres were bankrupt. He had educated his party in the Pacific scandal campaign with Sir Hugh Allan's money to see the necessity of having a reasonable amount for "contingencies" in election contests. The trite saying "Once bitten, twice shy" had no terrors for the Tory leader of that day. In the most ostentatious manner the manufacturers were called together, and subscriptions solicited from them to assist in carrying through a policy of Protection, which would probably mean a great deal to them. They were reminded "Thou shalt not muzzle the ox when he treadeth out the corn." It needed no special application to drive the scriptural injunction home. The policy of the Tory leaders was to make these people rich. But unhappily at a meeting from which fifty thousand dollars (£10,000) was expected less than five thousand (£1000) was actually realized.

At this moment came most welcome offers of tangible assistance. Mr. Abbott was Sir Hugh Allan's confidential adviser when the subscription to the Tory election funds was made seven years previously, and he now knew the pit-falls to be avoided. It was

intimated to an influential member of the party, who held no official position, that Mr. Abbott was authorized to guarantee all the money that might be required in the campaign to secure Sir John Macdonald's return to power, as the result of the pending elections, if a verbal assurance was given that, in the event of Sir John's success, he would consider favourably a proposal on terms that would be submitted later for the construction of the Pacific Railway by a responsible company. Mr. Abbott was one of the few men in Canada whom Sir John could trust implicitly on any subject of a delicate or rather compromising nature. Mr. Abbott had been in the old Pacific Scandal deal, many of the details of which had never been revealed. The required assurance of Sir John Macdonald was duly given. He did not ask where the money was coming from. It was sufficient for him to know that it was to be provided on a liberal scale, and that his organizers would not have to make any apologies for sudden requirements towards the end of the campaign, as he had been compelled to do with Sir Hugh Allan seven years previously.

Under the circumstances it was not surprising that by September the promises of "good times" to be brought on by additional taxation had taken a thorough grasp on the public mind. When the result of the polling was published on the evening of the 17th of September, 1878, it was seen that Alexander Mackenzie's Government had been swept out of existence; and that the party which stood convicted in the public mind five years previously of granting a great

public charter in consideration for an election subscription was to be again entrusted with the administration of the affairs of the country. And there were a favoured few within an inner circle who did not see much likelihood of the Pacific Railway long remaining a great national asset.

Out of the political cataclysm Donald A. Smith emerged as a supporter of the defeated Liberal leader, being again elected for Selkirk.[1] The Tories had thrown their strongest forces against him. Into that particular part of Manitoba had gone a considerable number of settlers from the vicinity of Ottawa, whose admiration for Sir John Macdonald was most intense. To bring about the defeat of the head of the Hudson's Bay Company, who had turned "traitor" in 1873 to their political idol, and on the very spot where stood the first stone fort of the Company, the tangible evidence of Donald A.'s former authority, would make life worth living. The extreme bitterness of the contest may, therefore, be imagined. Donald A. Smith announced his sympathy with his political associates at Ottawa during the previous five years. Although calling himself a Conservative, he declared his intention of continuing, as heretofore, to support Alexander Mackenzie. In a memorandum written with his own hand, defining his position more clearly, he said—

> "As he has no favour to ask and nothing personal to desire from any Government, he will support only such measures as are conducive to

[1] Appendix, 18.

the advancement of Manitoba and the North-west in the first instance, and the general prosperity of the Dominion."

It remained for the future to offer a peculiar commentary on this declaration of the principles by which he claimed to be actuated. In the meantime the syndicate of which he was destined to be the most prominent member was secretly pouring money into the campaign coffers of the Tory party. The forces were at work in which he had important interests that were to bring about the defeat of his own friends, and aid in the success of his most bitter political and personal opponents. A petition charging that his election had been secured by bribery and corruption on the part of himself and his agents was filed in the courts. Parliament was summoned to meet in the early part of 1879, too soon after the election for the trial to take place, so that he was able to take his seat in the House as a supporter of the defeated Government. Election trials against Members of the House of Commons cannot be proceeded with while Parliament is sitting; therefore, no matter under what circumstances a candidate may be successful, if he can stave off the date of the trial by preliminary objections until Parliament meets, he takes his seat as the representative of the constituency.

During the Parliamentary recess the Selkirk Election Petition came to trial. As is usual in election cases the evidence was contradictory, running a close race with perjury. The petitioners claimed that, on the

evidence placed before the court, they had fully proved corrupt practices sufficient to void the election. Mr. Justice Betourney decided otherwise, and confirmed Donald A. Smith in the seat. There was great jubilation on the part of Donald A.'s friends in the constituency. Selkirk was literally painted red that night by the victorious party. But the *dénouement* was dramatic. A local journalist discovered that the Judge had borrowed money from the successful litigant, and was indebted to him for the sum of $4000 (£800), and that a mortgage was registered upon the Judge's property in the name of Donald A. Smith as security for the loan.

The petitioners promptly appealed to the Supreme Court of Canada against Mr. Justice Betourney's decision. The usual legal delays intervened so that Donald A. was permitted to take his seat again in Parliament in the early part of 1880. He still retained his old relationship with the Liberal party. There was no sign upon the political horizon of the coming events, already beginning to take shape, that were calculated to change his relationship in the near future towards the political parties in the House—a relationship fraught with such tremendous import to the history of the country. The Liberal leaders were unconscious of any negotiations, to which he was a party, taking place with the Government, and after the disastrous campaign gave him their unreserved confidence. There were cogent reasons why it should not be known that "wheresoever the carcase is, there will the eagles be gathered together."

XII

Sir John A. Macdonald in office again—"So much the worse for British connection"—Unseated by the Supreme Court—The Pacific Railway charter in sight—The agreement—Donald A. Smith kept out of sight—Charter hunters' success.

Sir John A. Macdonald assumed office in November, 1878. The new administration was no sooner installed than it was announced that the manufacturers, who had so largely supported the Government in the expectation of a change in the fiscal policy of the country, had no occasion for anxiety—the promise of Protection would be fulfilled in letter and spirit. The Budget revealed a system of Protection to which no objection could be taken by the advocates of a policy which claimed to make the public rich by adding to the taxation of the country. Objection was taken to the tariff that it would be a serious blow to British trade, and the suggestion was made that it might endanger British connection. One of the principal writers at that time on the leading Tory organ, the Toronto *Mail*, was a brilliant journalist from Nova Scotia, Mr. Martin J. Griffin, who was also a defeated candidate for Parliament in Halifax in 1878. The *Mail* replied to this expressed fear about the effect of the proposed tariff on British trade, by declaring,

" then it is so much the worse for British connection," an expression which became a byword in Canadian politics for many years afterwards. This taunt was all the more significant because Mr. Griffin had a few years before contributed a remarkable article, over his own signature, to an American periodical, presenting an exceptionally strong case in favour of the annexation of Canada to the United States. But the Canadian manufacturers were naturally looking after their own interests, and were not concerned about the effect of the new tariff upon British trade. They had given the Government their best services in the recent election, and it must be admitted that they were amply repaid.

During the earlier session of 1880, Sir John Macdonald intimated to the House that the policy of the administration respecting the Canadian Pacific Railway would probably be announced at the next session of Parliament, which, unless his plans miscarried, would be summoned before the end of the year. Immediately after the Prorogation Sir John Macdonald came to London, accompanied by his more prominent colleagues. It was officially announced that negotiations were under way with British capitalists to secure the early completion of the railway. It was even hinted in Canada that as the work would be of great Imperial service in opening a short route to the Far East, the possibility of securing Imperial assistance was not too much to hope for. Sir John and his colleagues were received with marked attention. Lord

Beaconsfield, in office at that time, gave them his countenance. The alleged facial resemblance between the British and Canadian Prime Ministers was current talk in social circles, evidently pleasing to the vanity of both. But the visit to London did not result in the attainment of the alleged desired object. No arrangement was made in London for the construction of the transcontinental railway. Later developments were taken to indicate that the visit to London was not taken with sincere intentions of completing arrangements about the Canadian Pacific Railway. To have entered into an arrangement in Canada immediately after the elections might have created suspicion. The episode connected with Sir Hugh Allan was still a bitter recollection, not only to the leader of the Government but to the Canadian people. At any rate the impression created in London by Sir John and his colleagues was far from favourable. A leading London publication said at the time—

> "The Dominion Ministers have grossly mismanaged their mission. They have repelled confidence, where they might have nourished faith. They have created distrust where they ought to have cultivated hope, and they have been mysterious and fussy at the same time. They have flourished about their object, and have inspired communications that have proved to be misleading. The upshot is that, with the best intentions, perhaps, they have cast no credit on the Canadian Pacific Railway."

The third session of the Parliament was called in the latter part of 1880, after the return of the Government from London. Donald A. Smith had ceased to be a Member of the House. The Court of Final Appeal for Election Petitions had rendered judgment. At the opening of the session the Speaker of the House of Commons announced that he had received a notice from the Registrar of the Supreme Court that a decision had been rendered by that tribunal in the following terms—

> "And in the Appeal of David Young and Archibald Wright, Appellants, and Donald Alexander Smith, Respondent, in the matter of the Selkirk Election, by which the said appeal was allowed, and the judgment of Mr. Justice Betourney, that the said Election was valid, was reversed, and the Election was declared void."[1]

A writ was accordingly issued for a new election in Selkirk, and Donald A. Smith's successor took his seat as a supporter of the Government.

The announcement had been made by the Prime Minister that a contract had been entered into between the Government and a syndicate for the construction of the Canadian Pacific Railway. It is putting it mildly to say that the country was startled by the announcement, as the idea that the highway was to be retained as a national asset had been considered settled. Until the official statement by the First Minister the general public had not received the

[1] Appendix, 5.

slightest intimation of the important change in public policy that had been unanimously accepted and approved by the recent Parliament. As soon as the formal proceedings connected with the opening of Parliament were disposed of, the contract entered into with the syndicate was placed on the table of the House. When the terms became known, astonishment gave place to dismay throughout the country.

The agreement provided for a subsidy of $25,000,000 (£5,000,000), a land grant of 25,000,000 acres, the completion and possession of all the portions of the railway then under contract to cost $30,000,000 (£6,000,000), an absolute railway monopoly in the western territory for twenty years, free right of way through Government lands, exemption from taxation for all time upon their property in the new western municipalities, freedom from taxation for an extended period upon their land grants, the land grant to be selected at the convenience of the Company throughout the fertile belt, and extraordinary authority over passenger and goods rates. Even to the railway promoters in the United States, accustomed to the most liberal terms as the result of corruption and lobbying in the legislative chambers of that country, the lavish terms of this agreement came as a surprise.

An equally strong syndicate offered to take the contract for much less. But the subject immediately assumed a party aspect, and there was no question but that Parliament would ratify anything the Government proposed. Regrets were expressed that even

the corrupt bargain with Sir Hugh Allan had not been carried out, as in that agreement no such favourable terms to the contractor had been given, or such sacrifice of Canadian interests been made.[1] It was feared that means similar to those connected with the deal in 1872 had been taken to secure the present arrangement, but no encouragement was offered on this occasion, as on the former, for information to leak out leading to scandalous revelations. Some of those interested in this contract knew only too well how Sir Hugh's confidences had been betrayed, and they left no loopholes for a similar disaster in their case.

Objection could not be taken to the financial standing on the syndicate, as revealed by the contract. From the political standpoint Liberals were well aware that two of the Company had been their own supporters in recent elections. This rather gave colour to the impression that means had been found, other than the public might approve, to reconcile the Tory leaders to a deal of such magnitude with their political opponents. It was well known that the Canadian and United States members of the syndicate were all most intimate personal and financial friends of Donald A. Smith. Surprise would not have been expressed at finding him, also, in this great financial deal.

But the hatred of the Tory leaders towards Donald A. Smith made it apparently impossible that he should be in the syndicate. The Premier gave an assurance

[1] Appendix, 10.

to his supporters that Donald A. was not one of the capitalists connected with the agreement. Notwithstanding the denials in private circles, the Opposition declined to believe that Donald A. Smith was not a sleeping partner. Veiled references were made from the Opposition Benches to the possibility of Donald A. being behind the scenes, and extracts from the *Hansard* of 1878 were read as a reminder to the Government of the view so recently held by them of the possible *personnel* of the syndicate. Supporters of the Government in the House were told that Sir John said if Donald A. Smith had anything to do with the agreement he would consign the project to the four winds of heaven. To Sir John Macdonald Donald A. was Anathema Maran-atha. The Government at that time, judging from later revelations, was not in the position of a free agent. The money had been accepted in the recent campaign upon clearly defined terms. Had it all come from absolutely trustworthy and confidential sources, the secret understanding might be flouted. But the amounts were too large to be advanced by other than a very wealthy syndicate, and it was in their power to bring dire destruction upon all concerned. Both the syndicate and those in authority knew this.

The contract finally passed Parliament in the form in which it had been submitted. But before that point was reached some very unpalatable things were said by responsible statesmen,[1] and special arrange-

[1] Appendix, 14.

ments had also to be made with the supporters of the Government from the province of Quebec. In the latter case a pledge was given that either the Canadian Pacific Railway, or the Government, would purchase from Quebec a railway upon which the province had unwisely expended about $12,000,000 (£2,400,000). In summing up the objections of the Opposition to the contract, the Hon. Edward Blake challenged the Government to appeal to the country upon the proposals before the House, asserting that if it was done the responsible electorate—

> "will take the earliest opportunity to inflict a summary penalty upon those persons, offenders for the second time, who having once betrayed, when entrusted with power, their country's honour, have now taken advantage of the opportunity a too confiding public conferred upon them, to betray in the same transaction her most vital and material interests."

The charter-hunters had at last found the desires of their hearts fulfilled. They had secured the most stupendous contract ever made under responsible Government in the history of the world. It might be true that the conduct necessary to secure the goal had been such as is not usually adopted in private life. But the hope of the company or syndicate undoubtedly was that in the future they might, like the Greeks, pacify the gods by gifts.

To attain their end the syndicate had broken political and personal relationships that could never be repaired. Two Governments had been wrecked. They had assisted in discrediting one political leader through their denunciation of the part he had been saddled with in connection with the Pacific scandal. They were now laying the foundation for the utter demoralization of the public life of a great new country, and burdening Parliament with objectionable associations which were to remain after they themselves had disappeared. They had assisted in removing from the highest office in the gift of a democratic people an honourable, high-minded and patriotic statesman because he had declined to allow Parliament to be used for the purpose of creating enormous private fortunes at the public expense. They had stopped at nothing, and they had succeeded.

George Stephen and Duncan McIntyre of Montreal; John S. Kennedy of New York, banker; Morton, Rose & Co. of London, England, merchants; Kohn, Reinach & Co., Paris, bankers; and Richard B. Angus and J. J. Hill of St. Paul, U.S.A., were incorporated as the Canadian Pacific Railway Company. In the list of the first directors of the Company, Baron de Reinach represented his banking house, and Henry Stafford Northcote and Charles Day Rose the London banking house, the others being the individual names mentioned in the Act of Incorporation. The secrecy about Donald A. Smith's connection with the syndicate was kept until every possible concession had

been granted. Meanwhile, he was willing to wait for the triumph so sure to come later.

Donald A. Smith had smarted under the humiliation of the decision of the court which deprived him of his seat in the House of Commons. Now came his secret connection with a project that had become the dream of his life. He knew, unless his plans failed in the next few months, that he would eventually be acknowledged as the master-mind of the enterprise ; and the announcement of his connection with the great project was not long withheld. At the recent bye-election in Selkirk (1880) he was again a candidate for Parliament. In 1872 he ran as a supporter of the Tory party—in 1874 and 1878 he was supporting the Liberals—and in 1880 he professed political independence. But such political vagaries were too much for even the shifting population of the west, and he was defeated by a strong local candidate.

In the effort to overcome the popularity of the other candidate it had been necessary to have recourse to a banking-account specially opened for the purpose. Money was expended freely. When the result of the polling was declared a few faithful adherents gathered at the committee rooms of the defeated candidate. In explaining to Donald A. that nothing had been left undone to ensure success, the secretary expressed himself in the most forcible and up-to-date western style: "Donald A., the —— voters have taken your money and voted against you." All eyes were turned

to the unsuccessful candidate to see whether he was willing to take this explanation of his defeat, and the quiet reply came, as if he was speaking to himself: "You have properly expressed the situation." Winnipeg was never anything but a bitter memory to Lord Strathcona from that day.

Some miles out from Winnipeg he had a charming residence, known as Silver Heights. In the years to come, as the construction of the railway progressed, it might be necessary to entertain visitors on a fairly large scale there. But rather than go through Winnipeg to his residence the company constructed a railway siding off the main line, so that his private car could be run to Silver Heights without entering the city.

Donald A. Smith was as punctilious about paying off personal scores as in paying his debts. He never failed with either. In the future, Winnipeg's action was not to be forgotten!

XIII

Amassing great wealth—The skeleton in the cupboard—Facing sudden ruin—Failure to sell bonds—Applying for assistance—The penalty for deception—The Cabinet refusal.

MEANWHILE, the construction of the great railway was being carried on apace. The active membership of the Company, like that of the syndicate, was limited to a chosen few, and Donald A. Smith's connection was no longer kept in the background. He was the great controlling spirit in all the principal business of the syndicate. Within the charmed circle construction-companies, purchasing-agencies and land-companies were formed. Properties required in the west by the Railway were sold by directors to the great corporation at exorbitant valuations, as a recent departmental inquiry has abundantly proved. From every possible source those in the inner ring never failed to provide for the promotion of their own financial interests. Their wealth soon became proverbial. Each vied with the other in the erection of palatial residences.

But with all their apparent prosperity, there was a skeleton in the cupboard. The syndicate had apportioned to themselves large blocks of the stock of the Company at a very low rate, and they were

unable to get the investing public in Europe or the United States to accept the stock or bonds of the Company. It was not so much from a want of confidence in the value of the securities as for other reasons. A vivid recollection still existed in the principal financial markets of the incidents connected with the purchase of the Western United States Railway. The Dutch banking-houses which had lost their millions through the sale of their bonds to the Canadian syndicate, warned financial centres against dealing with the Canadian Pacific syndicate, and their efforts were apparently successful.

As the principal members of the syndicate were also directors of the great banking institution of Montreal, they had recourse again to the funds under their control. The deal with Jesse P. Farley and the Dutch bondholders, although directly so profitable, had indirectly led to the present situation. The failure to realize on the stock or bonds of the Company made this necessary, notwithstanding the narrow escape from the financial catastrophe that threatened them twelve years previously. Time went on and still the railway securities could not find a favourable market. The stock could only be disposed of at ridiculously low figures. Little did the investing public realize the value of what they were then refusing!

More money had to be borrowed from the Bank in order to carry on the work of the Company. The ever-increasing demands of the Construction Company had to be met at all hazards. To suspend

payment meant absolute and hopeless ruin. Not only would such a result jeopardize them personally, but it might bring serious consequences upon the bank. By this time an amount far in excess of the paid-up capital had been advanced. The only member of the syndicate who never became pessimistic, or who never lost his nerve, was Donald A. Smith. The general manager of the bank, although he was an official appointed by the directors, became alarmed for his own safety, and, when a further sum was needed, he refused to allow it to be taken without additional security being lodged in the bank vaults.

The directors had already given the bank all the securities they possessed. A time came when they had to have $1,000,000 dollars (£200,000) or suspend payment. They dare not go to any other bank for fear of creating uneasiness and probably panic. The risks which had been taken on the previous occasion had not been forgotten. The late Duncan McIntyre, one of the syndicate, was persuaded to go among his friends and get possession of sufficient collaterals to justify the loan of the amount that was needed. As he laid them on the table at a meeting of the directors, he said, with a trembling voice: "Remember, if these are lost, not only am I ruined, but I shall bring down with me every friend I have." There was nothing to do now but to apply to the Government at Ottawa to come to their assistance. If that should fail there was ruin or worse for everyone connected with the enterprise. As Lord Strathcona, in later years, not

infrequently referred to the position: "It is to the Government or the Penitentiary." It was decided that one of the original syndicate, accompanied by Sir J. J. C. Abbott, the solicitor of the Company, should go to Ottawa and see what could be done with the Government.

Sir John Macdonald was still First Minister. He was then secretly preparing to dissolve Parliament before the end of its full term, although only a few trusted friends were aware of his purpose. The syndicate had pushed on the construction of the Railway, so that it was likely to be completed five years earlier than the date stipulated in the contract. They had not failed in responding to the appeals of the Tory party for contributions, and amounts hitherto unheard of in Canadian elections rolled into the campaign coffers. They had turned the whole machinery of the railway and of its contractors into Tory electioneering agencies. They had not hesitated to use every possible form of corrupt influence to drive out of public life every opponent of the syndicate, and these were, naturally enough, opposed to the Government of Sir John A. Macdonald. It is no exaggeration to say that Parliament had become the subservient creature of the syndicate, and, *a priori*, the Government owed to the syndicate its retention of power.

But the representatives of the syndicate, who were selected to interview the Premier on the vital question at issue, could not forget that a solemn assurance had

been given to Sir John Macdonald, when the original negotiations were in progress, that Donald A. Smith was not interested in the undertaking. They remembered his searching inquiries on that point. The little girl, with an imperfect knowledge of the Bible, who said that "lies were an abomination to the Lord," and then added "but a very present help in time of need," expressed the views of this deputation exactly. Sir J. J. C. Abbott and his colleague knew that society will forgive almost every human weakness against public morals, except downright lying. This is recognized nowhere more clearly than amongst politicians, and Sir John Macdonald was no exception to the rule. It was the ghost of that misrepresentation to the Premier that now haunted them on their way to the capital.

Sir John Macdonald had a reputation for never forgiving one whom he once regarded as having betrayed him. He claimed to have Highland blood in his veins. Every one knew that he had not ceased to express his views with remarkable clearness on the score of Donald A. Smith's desertion in the great crisis of his life in 1873. It was well known now that he had been deceived in the early negotiations, and that Donald A. was not only then actually in the syndicate, but he was the mainspring of its existence. The reception that Stephen and Abbott received from Sir John Macdonald was even worse than they had feared. At the beginning he asked for a full explanation. The deputation had to admit that Donald A.

had been with the syndicate from the beginning. They told the Prime Minister that they were compelled to ask for Government assistance to complete their work, explaining how the money market had been against them. At first he emphatically refused to consider their request, alleging that such action on the part of the Government would meet with active opposition in the elections that were soon to take place. They pointed out that the stoppage of the work on the great railway, their own ruin, and the serious consequences in banking circles, would precipitate such a crisis as would bring down the Government anyway, all of which might be avoided if Parliament would assist them temporarily ; and they told the Premier that a loan of not less than $30,000,000 (£6,000,000) was necessary.[1] After much persuasion Sir John would only agree to state the case to the Cabinet that afternoon, promising to abide by the decision of his colleagues. Abbott immediately returned to Montreal, while his colleague remained in Ottawa.

When the Cabinet meeting was concluded that afternoon, George Stephen was in the ante-room of the Privy Council awaiting the decision. As members of the Government came out, the Canadian Pacific magnate knew from their manner that an adverse decision had been reached. He accompanied the Premier to his private office to hear the account of what had taken place. Sir John told him that he

[1] Appendix, 11.

had briefly outlined the situation to his colleagues, leaving the matter entirely open to them, without expressing his own views. There was some time spent in considering the merits of the case, and the possibilities to the country of their failure. The principal subject under discussion, though, was Donald A. Smith's connection with the exposure of 1873, and his desertion of the Tory party on that occasion—the withdrawal of his support from the Government, Sir John declared, being prompted by the hope of personal benefit through their downfall. When he failed to accomplish his purpose with the Mackenzie Cabinet, he succeeded in using the present Government as his unconscious tools to attain his object. Sir John told Mr. Stephen that he could hold out no hope whatever of the request for a loan being granted—the desperate condition of the members of the syndicate did not appeal to his colleagues under the circumstances.

XIV

Staggering under the load—An Irishman to the rescue—Frank Smith and his colleagues—Cabinet discussion—George Stephen's remorse—A Scotchman's revenge—The bitter cup.

It was a weary figure, with the face of a man suddenly aged under stress of the most severe mental anguish, who was leaving Ottawa that evening for Montreal. A member of the Cabinet, Hon. Frank Smith, who had evidently hurried to the station to see him, walked up quickly and said, "Is that you, Stephen? I have been looking for you and I did not recognize you. I am going to help you. You must remain here three days." Stephen replied that nothing would induce him to remain, and that he "would never be seen in Ottawa again." Frank Smith's persuasiveness prevailed, and Stephen returned to private quarters where he would be free from the risk of being seen by inquisitive reporters. Smith assured Stephen that he would bring the matter up in the Cabinet at the next meeting, as he hoped that the decision which had been arrived at that day would be reversed. A trusted Canadian Pacific official, Mr. G. H. Campbell, who happened to be at Ottawa at the time, was asked by Frank Smith to stay with Stephen, and not to allow anyone to have access to him. Many years

afterwards Mr. Campbell told the writer that these three days were among the most anxious of his whole life. He was the constant companion of a man torn with anguish and remorse, whose heart seemed breaking with compassion for the friends whose downfall he felt himself responsible for, and with fear of the all-too-probable failure of Frank Smith's valiant efforts to save an almost ruined situation.

George Stephen was Donald A. Smith's cousin. This was the first set-back met with in his long and successful career. He, like Donald A., had risen from the ranks. From small beginnings, by industry and steadfastness, he had become one of the great financial forces in Canadian commercial life. He was wealthy, as wealth was counted in Canada forty years ago, ere he had ventured on that expansive sea of railway speculation with Donald A. Smith and J. J. Hill at the helm. He had profited to the extent of millions with his colleagues in the American railway venture as the outcome of the fifty million gulden which the Dutch bondholders had lost. The only fly in that pot of ointment was the fact that a suit was being threatened in the Minnesota courts by Jesse P. Farley, the Official Receiver of the railway. Farley was knocking at the door for one-fifth of the profits which he claimed the Company held in trust for him, and he claimed that it was in George Stephen's name that the odd one-fifth was placed at the time of the transaction. That there would be serious allegations made by Farley in the courts there was no question,

although there might be some doubt as to whether he would succeed with his claim. The allegations, however, would be damaging to the reputation of all the persons concerned. But the recollection of anything that might have occurred in the early history of railway speculation gave place to the critical complications of the present moment. Unless the advances the directors had authorized the general manager of the bank to make to the syndicate could be returned by the aid of a Government loan, long and honourable careers might . . . Oh, it was worse than madness to look into the future! Would the Cabinet relent?

Hon. Frank Smith was the representative Roman Catholic in the Dominion. He held a seat in the Cabinet without portfolio. Very large financial interests engrossed his attention, and he had declined to accept the responsibilities attached to a department. He possessed the highest standard of personal honour, and was blessed with that large-hearted Irish characteristic of sympathy for friends and foes alike. He could take greater liberty with the Premier than any other of the latter's colleagues. In the Church he exercised an influence with the clergy unequalled by any score of persons in his own province, and the clergy were, rightly or otherwise, credited with having considerable political influence with their parishioners. It was believed by Sir John Macdonald that Frank Smith's influence with his co-religionists was so great that a word from him would bring about great changes in the Catholic vote. He might be charged with

holding peculiar political views, because he is known to have subscribed towards the election expenses of a political opponent. This, however, was only when the candidate whom he favoured belonged "to the true Church," or when the one whom he did not want to see elected belonged to that extreme wing of Protestantism known as the Orange Order. He was immensely wealthy, but no part of his wealth had been secured by influences unduly exercised in the responsible positions of confidence or trust which he had occupied in public life. He belonged essentially to the old school of Canadian statesmen.

Hon. Frank Smith made good the promise that he gave to George Stephen. For three consecutive days he brought up the question in the Cabinet of the Government assisting the Syndicate. Twice he was compelled to return to Stephen with the discouraging news that nothing had been accomplished. After the members of the Government had discussed the proposition on the third day, Smith announced that, unless his colleagues accepted his views and came to the rescue of the Syndicate, he would resign his seat in the Cabinet. He also added that he would not withdraw his opposition to the Government until he had accomplished the defeat of those who were then sitting with him around the Privy Council Board. Before retiring he said that he would wait their decision, and that if they determined to continue in their opposition, he would announce his resignation that evening. The Cabinet knew that with Frank

Smith's influence thrown against them their defeat was more than probable. Shortly after sunset Frank Smith rushed to George Stephen and told him that the cause was won.

But the rank and file of the Government supporters in Parliament had yet to be pacified. A caucus or meeting of the members and senators was called, where the decision of the Government was announced. The number of those opposed to the proposition was unprecedented upon a question of Government policy. The members were willing to assist the syndicate, "but not Donald A." For long the discussion waxed hot and furious. Speaker after speaker pictured the "treachery of 1873." They declared they would go out of power (and power is dear to the heart of both political parties in Canada) rather than give their consent to any policy that would save Donald A. Smith from the pit which he had so fearlessly dug for himself and his friends. Many of the members of that caucus forgot for the moment that it was the money of the syndicate that had made their campaign successful in 1878, even when Donald A. Smith was contesting a constituency as a supporter of the Government of Alexander Mackenzie; that at every election since the syndicate had poured out money like water to meet their party demands; that a number of those present, large enough to give the majority necessary to keep them in power, occupied seats in Parliament solely because the great influence of the Company had been exerted in their favour; and, more humiliating from the national standpoint than all other

considerations, not a few were sitting there with the money in their pockets that they had "borrowed" in some form or another from members of the syndicate, with no thought of returning; and this magnate whom they were so strenuously denouncing, had contributed a goodly share towards these "loans." However, after blowing off steam, a safety valve for indignation, calmer counsels eventually prevailed, but not until Sir John A. Macdonald had promised that some way would be found to humiliate Donald A. Smith before the final settlement of the question.

Sir Charles Tupper, the most powerful speaker in the Government, was about to be appointed High Commissioner in London at the beginning of these complications, but he remained in the Cabinet to assist in keeping the recalcitrant Tories in line. His presence in the House was also necessary, where, it was expected, the Opposition would muster in strong force against the Government proposals. The passage of the loan was finally effected, but not until certain members of the House had made their own terms with the syndicate. Largess was distributed with a bountiful hand. Common stock of the Company was placed in trust with friends in the United States for very prominent politicians in Ottawa, a fact which came to light in later years, when Wills had to be probated. A necklace was presented to the wife of the Prime Minister, the Press ostentatiously announcing the cost to be $200,000 (£40,000). Rumours were circulated of large sums of money being found by other members to their credit in their banking accounts,

with no intimation as to the identity of the donor. Duncan McIntyre, who retired from the syndicate a few years afterwards, remarked to friends on one occasion, that the loan was an expensive luxury, although it had saved the fortunes of all concerned, and had averted a commercial calamity.

Previous to the legislation reaching the last stage however, Sir John Macdonald had decided upon the ingredients in the cup of humiliation to be taken by Donald A. Smith. During part of the time which had elapsed since the syndicate secured the charter for the construction of the railway, Donald A. had posed as an Independent Conservative, but really with no pronounced political opinions. He never had the settled convictions on public questions that are regarded as essential under responsible Government. Political predilections are strong in Great Britain, and nowhere is this more evident than in the Press, but they are much more pronounced in Canada. The political stream there is far from sluggish. In every condition in life—financial, professional, commercial, manufacturing, agricultural, labour, and unfortunately too frequently in clerical circles—politics have a powerful hold on the community. "The man in the street" is everywhere. Ninety-nine per cent. of the people are politicians. Donald A. Smith was peculiar even among the remaining one per cent. Perhaps this attitude on public questions and party government was owing to the fact that he only entered the political arena after he had passed middle life. But his attitude remains unique. Of no

other public character in Canada can it be said that he supported every Government in power in the Dominion since Confederation. All the intrigues of the syndicate to defeat the Liberal candidates throughout the Dominion grew and waxed strong because the Tory Government was always willing to assist in any legislation they required ; while the Liberal party was opposed to the extensive privileges and powers conferred upon them, and which were being constantly augmented by repeated acts of legislation. Above all else the Liberal leader warned the State of the danger of the syndicate becoming too potent a factor in the political life of Canada.

The syndicate heard with dismay that Sir John Macdonald insisted, as one of the conditions of the loan, that Donald A. Smith should contest a Montreal constituency at a future election, not only as a Government supporter, but a personal admirer of his own. It was an awful dose. To be asked, or rather compelled formally to declare unbounded confidence in the political leader whom he had publicly abandoned in 1873, to express his personal admiration for the leader of that Parliamentary mob which had thrown such offensive epithets at him in the House of Commons years ago, and who himself had deliberately shouted, "That fellow Smith is the greatest liar I ever met," a complete record of which still exists in the pages of *Hansard*[1]—was indeed drinking the cup of humiliation to the dregs. He also knew that he must publicly abjure friendship with those who had

[1] Appendix, 4.

been his only friends on the occasion of the incident which was really the cause of the suffering he was now doomed to undergo. Sir John A. Macdonald was growing old, although apparently as strong and healthy as ever. He had sweated blood over the humiliation of the Pacific scandal of 1873, perhaps not so much for what he had hastily and carelessly done, as from the subsequent revelations. He had colleagues who in that terrible hour had privately intrigued to get him removed from the high position of leader of the party. To force a certificate of character from Donald A. at the present moment was some satisfaction. There was no way of escape for "the traitor." And Donald A. Smith had the blood of Highlanders in his veins. It was a strange coincidence that ten years later he should erect a summer residence in the Vale of Glencoe, where from his bedroom window of a moonlight night he could see the solemn and lonely pillar commemorating the cruel massacre of the Macdonalds—Scotchmen who had been run in a different mould.

Only a Scotchman could conceive of making a countryman of his own pay such a price as Sir John demanded from Donald A. Smith. A more abject humiliation was impossible. Donald A. Smith, however, took his medicine like a man, but his friends knew that he would rather have paid a fortune and have had the cup pass from him.

However, the loan of $30,000,000 (£6,000,000) was secured and the situation effectively saved.

XV

Demoralization of public life—Members appeal for funds to the syndicate—Fraudulent company subscriptions—A hungry lot—Donald A.'s opinion—The cloak for many offences—A fortune in a night—Demoralization run riot.

THE point has now been reached from which dates the open demoralization of the Canadian Parliament. Year after year the syndicate came back for additional legislation. The favours already received showed how easily they could clamour for more. Members of Parliament were publicly retained in the interests of the Company. The corridors of the Senate and the House of Commons swarmed with their lobbyists. Parliament awakened to the fact that private fortunes were being created by the votes in the House. The prevalence of that idea in the minds of public men could have but one result. If the power which they exercised could distribute wealth, or its equivalent, in the way of charters that might be sold to the great corporation, the natural inquiry was "Where do I come in?" The cankerworm had reached the vitals of the body politic.

To bask in the favour of the local Canadian Pacific Railway magnates meant everything. In the purchase of supplies, in the awarding of contracts, in options

on proposed town sites along the line of railway, in obtaining inside information about the prospective route of branch-lines for speculative purposes, in allowing special terms and prices in purchasing railway lands, in the free distribution of paid-up stock of the Company's subsidiary corporations, members of the House of Commons were not forgotten. For those in professional life there were always vacancies and liberal retaining fees. The banking books and financial statements of members of the syndicate showed demands made upon them by members of Parliament in the form of requests for subscriptions for bogus companies, incorporated for no other purpose than to furnish an excuse for asking these railway magnates to subscribe tens of thousands of dollars, in return for which the subscribers never received anything more than scrip, which was just so much waste paper.

When telling the writer of some of his extraordinary experiences with public men of the country at this particular time, Lord Strathcona asked me if I had any acquaintance with a certain gentleman, now living, a member of the Canadian Legislature at this period and a supporter of Sir John Macdonald. Lord Strathcona went on to say that, upon one occasion, immediately after he had sailed from New York for Liverpool, a cheque was received at his office in Montreal from the member in question, purporting to be an interim dividend for three months on $10,000 stock which he (Donald A. Smith) had subscribed and

was said to hold in —— Company, and of which the sender was President. The amount of the cheque was $150. Three days afterwards a demand Draft or Bill of Exchange was received at his office for $10,000 as payment for the stock which he "had probably forgotten to remit." The manager of the office paid the draft on presentation. At the end of the year in looking over the accounts Lord Strathcona came across this item. The manager explained. When telling the story to the writer in 1900 Lord Strathcona added: "I said nothing, and even now my manager does not know that the whole business was a carefully prepared fraud." He quietly added, "They were a hungry lot in Ottawa then."

Among the list of directors mentioned in the charter incorporating the Canadian Pacific Railway, granted by the Canadian Parliament, are names honoured in the history of Great Britain; names significant of commercial, official and political prominence, whose records stand unblemished. In this case, however, they stood as a covert from the storm for the Canadian end of the Company. It has never been suggested for a moment, during the times of the greatest possible interest in this question in Canada, that these co-directors were associated in the remotest degree with the painful and demoralizing events that marked the operations of the syndicate in the Dominion. Whether any of them participated in the profits that the Canadian directors accumulated or not, does not necessarily form a subject of inquiry.

That they were kept in the dark about the other matters is accepted without question. That for any consideration whatever, they could become parties to the conduct of business which they would condemn in British politics, is impossible to imagine.

The mistake made by those in Canada who were opposed to the syndicate was in not appealing to the British and foreign representatives on the board of directors to assist in putting an end to the objectionable methods then in full swing in Canada. Perhaps if this had been done, many of the darkest pages in the political history of the Dominion would never have been written, and the stigma that must ever remain on great names would have been avoided.

A saturnalia of corruption on other lines also took possession of Parliamentary life. It began at the head and gradually made its way to the rank and file. The fundamental article of faith under the new conditions was that public men should use their representative positions for purposes of personal gain. A state of public morals soon arose that would have been utterly abhorrent to the members of Parliament a decade earlier. No one can think of Draper, Harrison, Howe, the Camerons, the Richards, and a score of others using Parliament as a stepping-stone to personal wealth. Family history in those earlier times gloried in the fact that the patrimony had all been spent in the public service. In every one of the old provinces there may be seen places telling of the ruined fortunes of those who had once served the state. It may not

be a matter for congratulation that the state accepts a man's time and fortune and gives nothing in return; but it is a subject for pride that so many of those representatives, in the first thirty years of responsible Government, strove to raise so high a standard of honesty and integrity in public places.

The arrangement with the syndicate provided for early completion of the railway across the prairies, and opened the door of unlimited possibilities to those having access to the charmed circle at Ottawa. Colonization companies were granted enormous areas of the public domain within the fertile belt. The *personnel* having control of these companies must, of course, be *persona grata* to the Government. That was the open sesame. Interests in these concessions were available to many who were willing to change their political faith for the sure and certain hope of getting rich at the expense of the state. The only wonder is that many more did not fall. The Dominion Government, also, formally took possession of 100,000 square miles of the western part of Ontario, about which there was a dispute as to jurisdiction between the province and the Dominion. The decision of the Privy Council subsequently awarded the disputed territory to Ontario. But in the meantime, while the matter was *sub judice*, extensive areas in the territory were parcelled out among supporters of the Government. The land was covered with valuable timber limits, for which a ready market was available with the lumber kings in the state of Michigan, where the

forests were already very much depleted. Scores of members of Parliament were among those to whom these lands were distributed.

Forests in the new western prairies, where timber was comparatively scarce, were sold to certain members at the nominal figure of $5 (£1) per square mile. One of these concessions was secured by an influential member of the House of Commons, the late John Charles Rykert. He effected a sale to a millionaire named Sands, of Detroit, receiving in payment thereof four short-date promissory notes of $50,000 (£10,000) each, which were afterwards paid in full. Departmental papers giving the details of this wholesale distribution of the public domain among the supporters of the Government, were brought down to Parliament in the most unblushing manner.

Ministers of the Crown received subscriptions for campaign purposes from contractors and those seeking favours from their own departments, forgetting or indifferent to the fact that the proof of Sir John A. Macdonald and Sir George Cartier having done so with Sir Hugh Allan in 1872 brought about the downfall of the Government of that day. But things had moved on in Canada since then!

Cabinet Ministers secretly held lands in their own names and arranged with confidential officials to unload their holdings on the public, a practice that is in vogue while these notes are being written, but matters have so far improved that the knowledge of this is withheld from Parliament ; as is also the fact

that in very recent times a Cabinet Minister at the head of one of the great spending departments has personally collected toll from successful tenders before awarding the contracts. In the period covered between 1880 and 1890 the majority in the House of Commons boldly twitted their political opponents with "not being in the swim." But these influences spread to some extent to the other side of the House, where substantial favours from the syndicate were secretly distributed.

This was the deplorable state of affairs in the Canadian Parliaments between 1880 and 1890—the climax of the demoralization of the public life in the Dominion. It was the direct result of the corrupt means inaugurated by a syndicate of capitalists getting possession of the charter for the construction of the Canadian Pacific Railway, as well as the portions of the completed line that a previous Prime Minister had declared he would leave as a heritage to the people of Canada. As the syndicate came back to Parliament year after year, for further concessions in the way of legislation, so in a corresponding manner the circle of political demoralization widened. The wonder is, looking back upon the events of that dismal period in Canadian history, that even a leaven of Liberal Members retained their seats in the House, or made any attempt to stem the tide of evil influences.

XVI

The American railway deal—Dealing with the Official Receiver—Wants share of the spoils—Thirteen years' lawsuit—The syndicate won in the courts—Profits from American deal.

It was fully expected, within a year from the time that had now been reached, that the railway across the Rocky Mountains to the Pacific Ocean would be completed. Things had also been moving satisfactorily with the St. Paul, Minneapolis and Manitoba Railway, the venture of ten years previously. Since 1882 dividends had been regularly received on the $15,000,000 stock that the syndicate had presented to themselves on the incorporation of the Company, the only cost for which had been the account for printing. The railway formed the basis of the extension to which J. J. Hill was giving his attention, and in which the original syndicate, including Donald A. Smith, retained their interest. The much disputed Pembina Branch of the St. Paul, Minneapolis and Manitoba Railway had been long completed, and Winnipeg was connected by rail with the outer world. An obliging Senate at Ottawa discovered after the defeat of the Mackenzie Government that stronger Imperial reasons existed for the connection being made with the United States railway system than had existed against it two years

previously, and arrangements were made with the syndicate for the construction of the Pembina branch from Winnipeg to the international border as a branch of the Canadian Pacific system. It was argued this railway was now necessary as a means of transport for construction supplies for the prairie end of the Canadian system.

The query is perfectly natural as to why the syndicate who got possession of the railway connection from Minneapolis to Winnipeg should also want to control the transcontinental line through Canada. This is explained by one of the terms of the agreement between the Canadian Government and the syndicate—the monopoly that was given of the railway system in the Canadian west for twenty years. The Canadian end of the syndicate could depend upon J. J. Hill taking steps in the United States to prevent the construction of any other line to the Canadian border. The same capitalists were in both enterprises. Between them there would be no competition in rates, so that the general public would be at their mercy. And this is how it worked. The "Empire-Builders" had the great farming community of the west between the upper and nether millstones.

Meanwhile Jesse P. Farley, the former Receiver, clamoured for his share of the spoils. He was the principal factor in doing the Dutchmen out of their investment, and held an assurance from some one, that one-fifth of the profits would fall to his lot. Had he dealt honestly with the Dutchmen who trusted him,

they would not only have received their interest regularly, but eventually the principal as well, amounting to sixty-five million gulden. Farley found that—

> "The downhill path is easy,
> And there is no turning back."

He could not undo the wrong he had done, and he had had no share of the good fruit. He was doubly aggrieved. In Montreal and St. Paul princely mansions had been erected by those who had benefited by his actions. Without him they could have done nothing. His advice and co-operation had been essential and effective. He said he had been promised the one-fifth, but because of his position as Receiver it was necessary that the transaction should not be put into writing, and was to remain a secret agreement. The syndicate had taken possession of the property and then sold the whole concern out to themselves under the name of the St. Paul, Minneapolis and Manitoba Company. They now boldly declined to recognize his claim and give him the fifth that he alleged he was entitled to under the terms of the original negotiations.

It is impossible to defend the code of morals that allows a Receiver, who is a court officer, and has definite trust responsibilities, to participate in the profits of any such arrangements as he said had been made. Donald A. Smith, as the one who first broached the question of buying the railway, no doubt accepted this view. To admit Farley's contention was to encourage dishonesty among trustees, and also to offer

a premium on wrong-doing. Therefore Farley was repudiated lock, stock and barrel. He finally got tired of waiting and entered an action-at-law. For thirteen long weary years the suit dragged its way through the courts of the United States,[1] finally reaching the highest judicial tribunal in the Republic in 1893, journeying twice in the meantime between Minneapolis and Washington on legal technicalities.

When the suit came on for trial in the First Court Jesse P. Farley told his story. His allegations were clear and distinct—he had agreed to help the Canadian syndicate to get the road, to force the Dutchmen to sell their bonds, and to use his official position to further the scheme. If he told the truth the transaction was not merely a scandal. He had made a bargain with the Canadian syndicate altogether incompatible with the most elementary principles of honesty.

Farley was corroborated by Mr. Fisher, the president of the St. Paul and Duluth Railway. Kittson, who was also expected to confirm Farley's testimony, died before the case came to trial. Alleged conversations with Kittson were, however, given in evidence. On the other side J. J. Hill declared there had been no such agreement as Farley suggested. In this he was supported by affidavits from Donald A. Smith and George Stephen. The court held that Farley's failure to prove his claim by a written agreement would entitle the defendant to a decision, and, even if there had been an agreement in writing, it would have been

[1] Appendix, 19.

improper and illegal on account of the trusteeship which Farley was then exercising. But long before the final decision of the Supreme Court at Washington was given Jesse P. Farley had gone to that bourne from whence no traveller returns. Donald A. Smith, J. J. Hill, George Stephen, and the heirs of N. W. Kittson (all Canadians) from now on, remained in peaceable possession of the property.

Donald A. Smith, George Stephen and J. J. Hill continued in intimate business relationship through all these years. The St. Paul, Minneapolis and Manitoba Company became one of the trunk lines of the western states under another name, reaching out its arms to the Canadian west at three or four points. St. Paul and Minneapolis and Winnipeg became great tributaries to this sytem, resulting in an enormous accretion of wealth by the original syndicate which had obtained possession of the rights of the Dutch bondholders. No wonder Jesse P. Farley wanted his share, when he saw, as the years rolled by, the colossal fortunes that he had passed over to the Canadian quartette. In twenty-seven years Donald A. Smith, J. J. Hill and their associates in this venture received $413,000,000 (£82,600,000) interest bearing securities, exclusive of annual dividends in the meantime, as the result of the railway speculation that Donald A. Smith outlined to J. J. Hill at "The Cottage" in Ottawa in 1876—the foundation of these colossal figures being the payment of $6,000,000 (£1,200,000) to Dutch bondholders borrowed from a bank of which Donald A. Smith was a director, and afterwards repaid by a

new issue of bonds. And the Dutchmen still have a vivid recollection how in buying those bonds they figuratively had gone down from Jerusalem to Jericho.

From a memorandum prepared for the Interstate Commerce Commission at Spokane by Attorney Brooke Adams, grandson of John Quincy Adams, one of the great fathers of the American Republic, these figures show the amounts of interest-paying securities divided between Donald A. Smith, J. J. Hill and their associates in less than thirty years.

1879	$15,000,000	1898	$28,000,000
1882	2,000,000	1899	13,500,000
1883	9,000,000	1899	6,750,000
1888	2,000,000	1901	30,750,000
1890	4,200,000	1905	41,000,000
1892	4,125,000	1906	84,000,000
1893	2,000,000	1906	135,000,000
1898	30,000,000		

The last item was issued in the form of Ore certificates; 1,500,000 certificates of $100 each, the market value of each certificate then being $90.

The syndicate owns a vast area of very high class iron ore in Mesaba county in the state of Minnesota, secured partially by purchase out of the earnings of the railway company, the balance in the land grant that formed part of the security of the Dutch bondholders. The Company has a perpetual contract with the United Steel Corporation for the full run of the ore in these mines, furnishing a source of wealth for generations, by itself an Eldorado.

XVII

The danger to the state—Loading the dice—Louis Riel still a factor—Blake's resignation—Moments never to be forgotten—Blake's farewell to Canada.

In inverse ratio, but to a corresponding degree, just as the friends of the syndicate in Parliament secured the support of this now enormously powerful corporation in the country, so were those opposed to the demands and methods of the syndicate marked out for political extinction. These members of the Commons were followed to their constituencies, and there found themselves opposed by candidates whose election expenses were paid from some outside source, and paid on a most liberal scale. Not a few were unable to overcome such influences among their hitherto faithful constituents. The Opposition was apparently doomed to be as helpless in the country as it was in the House. Many estimable, high-minded and able representatives in the House of Commons were forced out of public life for no other reason than that they had been faithful guardians of the public interests. The Company which had been incorporated by Parliament was fast becoming its master—it had already become a menace to the state. The dragon's teeth so blindly sown in 1880 were bringing forth a terrible harvest.

For reasons that need not be particularized, Duncan McIntyre, one of the original members, withdrew from the syndicate. He was opposed to the persistent interference by the Company with the Government of the country. He had some notion of fighting the question out on the floor of the House of Commons, and made known his wishes to the Liberal leaders. A vacancy occurring in an Ontario constituency at this time offered an opportunity. The writer presented Mr. McIntyre's name to the Liberal convention, and he was accepted as the candidate. Mr. McIntyre was in the far west when he received word about his nomination. The Government issued the writ and hurried on the election in a most unusual manner. Mr. McIntyre, although he engaged a special train to carry him over two thousand miles, only reached the riding the day of the election. All the forces of the syndicate were thrown against him, the constituency was flooded with railway contractors and money, and Mr. McIntyre was defeated. In a conversation in the local hotel when the disappointing returns came in, Mr. McIntyre turned to the writer and said: "You will never know the force of the influences you are up against. Canada is paying an awful price for being ruled by my former associates."

The general election campaign of 1887 was marked with more than usual bitterness. It had in many ways ceased to be political, and had become personal. This particular phase was no doubt due to the necessity of publishing the names of the members of Parliament

who had been participants in the distribution of the public lands. The new Franchise and Voters' List Act, modelled, it was alleged, after the British Act, passed in the session of 1885, and came into operation. The Revising Officers in all the fighting ridings were extreme partisans. Liberals were heavily handicapped in endeavouring to secure their rights. It is a sordid tiresome story, and but one or two illustrations will suffice. In the constituency represented by Edward Blake, the Liberal leader, the discovery was made a few days before the final revision that 165 Liberal voters had been omitted from the lists. In a neighbouring constituency among many flagrant errors was the name "B. C. Church" on the list. Reference to the assessment roll showed the property to be a church belonging to the Bible Christian denomination. The Revising Officer refused to remove the name when the matter was presented to him, because "he" had not been served with a formal notice that application was to be made to remove "his" name from the list. At the election "B. C. Church" subsequently voted. He had not been seen in that district before, nor has he ever been heard of since.

When the Voters' Lists were received from the Government printing bureau, in many of the constituencies it was found that in the doubtful ridings numbers of well-known Liberals had been omitted and were therefore unable to vote. There had been added to several Ontario constituencies under the recent Franchise Act, tribes of Indians as voters.

In one of these ridings which had been represented by Liberals for many years, the night before the election, what purported to be a Proclamation from Her Majesty, Queen Victoria, was distributed throughout the Indian reserve with a great flourish of trumpets, commanding the Indians to vote for the Tory candidate.

In the province of Quebec the Government had no easy time. The execution of Louis Riel for participation in a second North-west rebellion had given rise to a Nationalist party amongst the Government supporters, who professed to believe that Riel was not punished so much for the second rebellion, as to placate the Orangemen for the murder of Thomas Scott in the first outbreak. These candidates for Parliament publicly pledged themselves to vote against the Government on any motion of want of confidence that might be introduced in the first session. With the exception of the western territories, the elections throughout Canada were simultaneous, and the result, counting the Nationalists as against the Government, gave Sir John A. Macdonald a majority less than the double figures—a majority that would soon cease to exist if the Liberals could carry two or three of the Prairie constituencies.

Mr. Edward Blake was physically exhausted by the labour of the campaign, but otherwise seemed in excellent spirits. The day following the election he told the writer that, if it was to be a very small majority, he preferred that it should be with the Government

rather than with him, as his success would be the more complete in the near future. Full of hope, a party started for the west to assist in the elections in the territories. When we reached Winnipeg, however, we received the amazing news that Edward Blake, previous to leaving home for a much-needed rest, had publicly announced his resignation as leader of the Liberal party, pending his early withdrawal from the House of Commons. From a party standpoint the immediate effect was staggering. A good fight was put up by the opponents of the Government in the Prairie constituencies, but the Liberal candidates were buried under railway and official influences. Things were done by the Government supporters that would never have been attempted had they known that Edward Blake would be in his accustomed place at the head of the Liberal party in Parliament. They knew that for a brief while, at least, the Opposition forces at Ottawa would be disorganized by Blake's resignation, and they therefore took risks they would not otherwise have indulged in. This was where the first effect of Mr. Blake's resignation was felt by the Liberal party.

I saw Mr. Blake on his return home. During several years of very intimate political association he had given me his unreserved confidence. In the strain of the campaign I had taken complete charge of his confidential correspondence. I knew his aspirations, his hopes and his determination to model a Government in the Dominion on the lines of the loftiest ideals of British Parliamentary traditions. It

was a prospect worth living for. Now the pitcher was broken at the fountain. He was sitting in his library when I entered. In this room he had often explained to me his hopes for the future of Canada, his fears of the constant struggle for her birthright. He had repeated frequently that, much as he desired it, he would never assume power unless by the free and unpurchased will of the electors. Here, also, I had met Mr. Justin McCarthy, and in discussing the question of Home Rule he more than hinted at the great service Mr. Blake could render the cause if he would consent to enter Westminster. But Mr. Blake's reply invariably was: "My life's work is here." As I grasped his hand on this occasion he simply pointed to a chair. For a moment the silence was intense. Then he said: "I know you are surprised. I came to this decision alone. My life is too valuable and my time is too short to further engage in the useless struggle with the demoralizing influences in the public life of this country which are the direct outcome of the work of the syndicate. You will not live to see the end. It will take two generations of fighting to rid politics of its effect, no matter who is in power. It is beyond me."

The question of the resignation was beyond argument. There may have been secret regret, but there was no turning back. Nearly thirty years have rolled by since then. Possibly Edward Blake was a pessimist in some things, but he loved his native land with a superlative love. He saw nothing ahead save the

assertive power of private wealth, accumulated at the cost of the state. And his prediction of "two generations" bids fair to be realized. His withdrawal from the leadership was a crushing blow to his party. In his native province the most trying experience he had to endure was the sudden solicitude by his political opponents for his welfare. The Liberal party, in their bitter resentment at his withdrawal, forgot the twenty years of unwearied and unflinching struggle in the cause of good government that Edward Blake had given to Canada. His self-sacrifice, his fruitless labour, his resignation and its cause, must ever rank as one of the greatest tragedies connected with Canadian politics.

In an official letter to the people of Canada, Edward Blake thus expressed himself upon the situation at a later date, with lamentation and hope that may well be remembered now—

"It has left us with lowered standards of public virtue and a death-like apathy in public opinion; with racial, religious and provincial animosities rather inflamed than soothed; with a subservient Parliament, an autocratic executive, debauched constituencies and corrupted and corrupting classes; with lessened self-reliance and increased dependence on the public chest and on legislative aids, and possessed withal by a boastful jingo spirit far enough removed from true manliness, loudly proclaiming unreal conditions and exaggerated sentiments, while actual facts and genuine opinions are suppressed.

"It has left us with our hands tied, our future compromised, and in such a plight that, whether we stand or move, we must run some risks which else we might have either declined or encountered with greater promise of success.

"Yet let us never despair of our country! It is a goodly land; endowed with great recuperative powers and vast resources as yet almost undeveloped; inhabited by populations moral and religious, sober and industrious, virtuous and thrifty, capable and instructed—the descendants of a choice immigration, of men of mark and courage, energy and enterprise, in the breasts of whose children still should glow the sparks of those ancestral fires.

"Under such conditions all is not lost. 'Though much be taken much abides.' And if we do but wake from our delusive dreams, face the stern facts in time, repair our errors and amend our ways, there may still remain for us, despite the irrevocable past, a future, if not so clear and bright as we might once have hoped, yet fair and honourable, dignified and secure."

XVIII

Muzzling the Press—Donald A.'s fear of criticism—Buying up the *Globe* shares—Unsuccessful efforts at prostitution of the Press—Personal admission by Lord Strathcona.

FOLLOWING the loan of $30,000,000 by Parliament to the syndicate, the Liberal Press made an appeal to the corporation, now that the resources of the country were again called upon for assistance, to cease from active participation in the public life of the Dominion. The Toronto *Globe*, recognized as the leader of Liberal journalism, was particularly insistent in demanding the withdrawal of the Canadian Pacific forces from the political arena. Donald A. Smith and his associates writhed under this criticism, as well as the appeals to the honour of the members of the syndicate. A determination was then arrived at to attack Liberal journalism in some signal and effective manner.

It had long been evident that any journalist venturing to attack the syndicate was duly noted. A "jolly good fellow" was placed in charge of the Press department of the railway. To him was left the responsibility of distributing favours, railway passes, and printing contracts. But if journalism could not be taught the error of its ways by conciliatory methods, then it must be made to feel the iron hand in another manner. Donald A. Smith was particularly susceptible

to newspaper flattery or criticism. In regard to the latter there were many holes in his armour that might be unpleasantly pierced. As his years increased he became even more sensitive on this score. His remark to a prominent Canadian who was receiving a good deal of newspaper attention years later in London, "Your name has no right to be there. It should be mine," was heard too often to be forgotten. The constant criticism of the leading organ of the Liberal party gave rise to the determination to silence it at any cost.

The founder of the *Globe*, George Brown, was dead, the deeply mourned victim of assassination, the work of a madman. The *Globe* was formed into a company, odd shares being held in different parts of the country. But the dividends were not such as to justify very great anxiety on the part of the holders to retain them as an investment. Secretly Donald A. Smith's agents bought up all the shares that were available. The probate of his Will shows that his estate holds $100,000 (£20,000) worth of the *Globe* stock. He learned, however, that the controlling interest in the *Globe* was held by Nelson & Sons, publishers, Edinburgh, as trustees for the widow of the great founder of this journal. Mrs. Brown was a sister of the Nelsons. Donald A. Smith instructed his representative to proceed to Edinburgh and purchase Mrs. Brown's interest at any cost. The sum offered was far in excess of the then value of the shares, but the object of the prospective purchaser was only too evident—to silence one of the oldest and the most influential exponents of public opinion in Canada—to

prostitute the reputation of a great newspaper that for fifty years had stood in the forefront of the battle for the rights of the people, and was never known either to be silent or to advocate any cause from unworthy motives.

There could be but one reason why the syndicate wanted to get possession of the *Globe*—to drag into the dust this organ of public morality for its own interested ends. But again, as in the case of Alexander Mackenzie, the syndicate ran up against a descendant of the old Covenanters. The reply that was received settled the matter for that time. Mrs. Brown, true to the memory of her distinguished husband, sent an account of what was on foot to Canada, suggesting that, to provide for contingencies in the future, it might be advisable that the controlling interest in the *Globe* should be in the hands of the Liberal party. She suggested what she considered a fair price for her interest, and it was learned afterwards that this was far below the sum that had been offered by the agent of Donald A. Smith.

When the news of the prospective transaction was received in Toronto, the effect was startling. The party was struggling along, ill-supplied with funds for ordinary organization, but there could be no delay about a matter so vital as this. Sir Richard Cartwright, Hon. A. S. Hardy, Minister of Crown Lands in the Ontario Government, Hon. George A. Cox, all now deceased, Mr. Robert Jaffray, now senator, and the writer discussed the situation. Messrs. Cox and Jaffray offered to subscribe half the amount necessary,

if the balance could be raised elsewhere. It fell to the lot of the writer to visit Liberals in different parts of the Dominion for the purpose of getting the balance. The purchase was satisfactorily completed, and the newspaper was placed beyond the possibility of falling into the possession of the syndicate during the present generation.

Thirty years afterwards, in the course of a conversation with Lord Strathcona on journalistic work and the influence of the Press, he said to the writer: "Do you know that once I came nearly being a newspaper man myself?" I replied that I was aware he had tried to get possession of the *Globe* in the 'eighties. "Ah yes, you know, but I would not have changed its politics, except as regards the Canadian Pacific. It was very abusive then. I wanted it very much. How did your party raise the money to get it?" I told him about our determination that he should never have it, and my own personal efforts in collecting the money. He added: "So it was you, so it was you. And that I should only know it now! But I would have had it within a month if you had been much longer. The *Globe* was very insulting, very personal. It treated us as if we were robbers." The writer will not deny that there was no possibility about the language of that day being misunderstood. The friends of the syndicate blamed us for the bitterness that was expressed. Our justification was that we were fighting against great odds, with no personal ends to serve, and only protecting our country's heritage in the face of all but insuperable difficulties.

XIX

Once more amid old associations—Political predilections—Disallowance on Manitoba's legislation—Driving the golden spike—Fighting against slavery—What Manitoba paid for liberty.

After the elections of 1887 Donald A. Smith found himself again in the House of Commons. Seven years had elapsed since his forced retirement from Parliament by the decision of the Supreme Court. There were still many Tory members in the House who were present on that memorable occasion in 1878, when he was so shockingly insulted by the Tory party.[1] Now he appeared as their associate and the dutiful follower of their leader. In glancing around he could see that not a few of those who sympathized with him on that occasion were no longer in the House, and he could reflect how much of the money of the syndicate had gone, secretly, to ensure their absence. In looking at the supporters of the Government he could recognize some who had taken their part in the insulting epithets thrown at him then, and remember that not a little of the money which he controlled had gone to keep them in their seats. The whirligig of time had certainly brought great changes! Now he was forced to be on terms of intimacy with bitter personal enemies, and to publicly repudiate those who a few years previously were his personal and political friends.

[1] Appendix, 4.

Whatever was thought of the reasons which had actuated him in deserting the Tory party in 1873, there was no doubt as to why he was supporting the Tory party in 1887. More than once in the years immediately following 1880 was he reminded of the changed circumstances, as well as of the opinions his present allies had expressed of him on that well-remembered occasion. But to Donald A. Smith's credit be it said he never lost his temper during the nine years he remained in the House, amid the many aggravating and annoying reminders of the past. His philosophical disposition to accept the inevitable never deserted him. His standard of political honour was not high, but it served. To him it was always his first duty to consider his personal interests, and he could comfort himself with the reflection that he was no worse than many who were sitting around him. Not a few were there who had been and were now accepting substantial favours from him as a return for the enactment of legislation which the syndicate desired from time to time.

In November, 1887, four years earlier than the agreement stipulated, the transcontinental railway was completed to the Pacific coast. It had duly passed out of the possession of the Canadian people and into the sole control of a few magnates, none of whose personal wealth had been expended in the construction of the line. Very properly the master mind of the syndicate, the genius who had guided and guarded them through the wilderness of difficulties,

never losing heart or failing in courage, and had brought them at last to the rainbow's foot, was selected to drive the golden nail in the last rail which connected the east with the glorious west. In after years Lady Strathcona used often to wear, as one of her most treasured possessions, the beautiful diamond-studded spike which the grateful syndicate presented to her on this auspicious occasion. By this act all the members of the syndicate, and those who had become associated with the enterprise, publicly acknowledged Donald A. Smith's chief place in the great organization.

The prairie section of the railway had only been in operation a short time when the west resounded with the wails of the farmers against the excessive rates that were being charged for carrying their produce to market-centres. By the terms of the original agreement, a loophole was left whereby the Company could do just about as it pleased, and there was no adequate protection for the public. Representations were made at Ottawa for relief, but the syndicate, like Shylock, pleaded the terms of the bond.

The Legislature of Manitoba, however, had become an important body, and the Government was forced to pass legislation incorporating companies for constructing other railways throughout the province. All these Bills were disallowed with commendable promptitude by the Ottawa Government, and the impression took possession of the public mind of the province that the Manitoba Cabinet also was the tool of Donald A. Smith and his associates, and was less

willing to protect the struggling agricultural community than to interfere with the schemes of the syndicate. The result was the defeat of the Norquay Cabinet. They were followed by a party openly avowing a policy of constructing railways within the province regardless of disallowance by the Federal administration at Ottawa. The public declared that they would have competitive railways at the cost of secession from eastern Canada, if necessary. The people won. Disallowance ceased. Then a similar agitation took place in the territory outside Manitoba. When the Laurier Government came into power, in order to secure an amicable reduction of freight or goods-rates from the railway, several million dollars additional subsidy was granted to the Company. It was fully realized that the shackles the "Empire-Builders" were forging on the general public could not be borne without entailing conditions of absolute slavery.

The citizens of Manitoba now resolved to firmly resist any further extortions imposed upon them by Donald A. Smith's railway enterprises. A charter was granted by the legislative assembly of the province to a company to connect with the Northern Pacific Railway of the United States—the rival of J. J. Hill's and Donald A. Smith's American line. It was found necessary to make a level crossing over the syndicate's railroad in order to reach Brandon. The employees of the Canadian Pacific company stood guard over their line. But several hundred farmers and citizens of Winnipeg appeared, armed with rifles,

rushed the position, tore up the Canadian Pacific rails, and protected the navvies while the diamond crossing was laid. They held the fort for several days, threatening violence on any attempt to interfere with the new railroad. The syndicate finally realized, although the courts would doubtless have assisted them, the utter uselessness of engaging in a contest with a province so unanimous in opposing their monopoly. They retired to await developments.

Waiting was a game at which the syndicate was past-master.

The astute "Empire-Builders" had another way of "getting even" with the people of Manitoba. They were at least familiar with the spirit of Byron's *Mazeppa*—

> "For time at last sets all things even—
> And if we do but watch the hour,
> There never was yet human power
> Which could evade, if unforgiven,
> The patient watch and vigil long
> Of him who treasures up a wrong."

The following year the wheat crop of the province was very poor, and much of it was damaged by an early frost. The farmers of the prairies had not then learned, as they afterwards accidentally discovered, that wheat can be sown before the spring frost is out of the ground, and thus secure the maturing of the grain before the early autumn frosts. At this time the Winnipeg grain-dealers could only find a market for the damaged wheat in eastern Canada. The syndicate's time had come! No lower quotation could

be secured from the railway for carrying the grain to the great lakes, from whence cheap transportation could be had by water, than at the rate of twenty-eight cents (1*s.* 1½*d.*) per bushel, equivalent to about forty-eight cents (2*s.*) per hundredweight. Therefore, the buyers could only pay the farmers thirty-five cents (1*s.* 6*d.*) per bushel for their grain. The carrying distance from Winnipeg to the lake port was less than 600 miles over a railway that had cost the Canadian Government $30,000,000 (£6,000,000), and which had been passed over to the Pacific Railway syndicate as a free gift by Parliament. At the time the Canadian syndicate was making this charge for carrying Canadian grain, Donald A. Smith's American railroad was carrying the product of American farms at less than half the rate for the same distance.

This fearful bleeding of the life's blood of the toilers of Manitoba continued until Wilfrid Laurier came into power. But before this occurred ten years had elapsed. This was the price that the struggle for liberty, or in fact the right to a fair reward for their hard labour, cost the people of Manitoba. They had ventured to cross the path of the Juggernaut that was rolling across the Canadian prairies.

Very early in the last session of that Parliament (1896), Donald A. Smith announced his intention of retiring from the House of Commons. The great head of the Tory party for thirty years, Sir John Macdonald, had passed over to the Great Majority amid the universal lamentations of his faithful followers.

The third reorganization of the party had taken place since Sir John's death. The Premier could not be said to have much in common with the head of the Pacific syndicate. Donald A. Smith was quite willing to use him, as he had used other instruments, but Sir Mackenzie Bowell had never forgiven him for his desertion of the party in 1873. Thus there was more likelihood of the First Minister being in the way than otherwise. This fact was made abundantly evident during the latter part of the session. There was then nothing in either the intellectual calibre, or the social standing of the remnant of the great party that had ruled Canada for eighteen years, to attract Donald A. Smith. He had ceased to take much interest in the proceedings in the House. The announcement, therefore, that he purposed retiring was looked upon by many as perfectly natural.

The rank and file of the Tory party heard of his proposed withdrawal from Parliament with mingled feelings. They were not sorry he was leaving, but they wondered if his withdrawal from the House was indicative of a move in the direction of the rising star of Wilfrid Laurier. It was acknowledged that the political barometer distinctly indicated that but a brief period would elapse before the Liberals would be in power, with Laurier as Premier. And it was equally evident that the Tory party had reached a point when cohesion was impossible. For the time being the public was utterly in the dark as to Donald A. Smith's ultimate intentions. One thing only was

certain, and that was, whatever course he might adopt, there would be only one paramount consideration. But, as in his early Parliamentary career, he was keeping his own counsel.

In the meantime history was being made. The Canadian Pacific Railway in fifteen years had developed into one of the most stupendous corporations that the world has ever seen. The ramifications of its business extended throughout America, Europe, Asia and Australia. In reality its interests had encircled the globe. The members of the original syndicate had amassed such wealth that their own affairs required undivided attention. The methods of managing the railway, and also of retaining that influence in political circles which they regarded as a necessity, demanded other experts. To meet this situation officials were imported from the great railroads of the United States to take the management of the railway. No one in Canada was regarded as sufficiently competent. Men were required who had experience in extensive railroad control, as well as in the manipulation of American politicians. A Parliamentary humourist, and also one of the warmest friends of the Company in the House, justified the policy of the syndicate by jocularly inquiring "What can a draper accustomed to measure cotton by the yard, or his companion, whose principal calling in life has been to trap musk-rats in the North-west, know about railway management?" Practical experience and up-to-date methods were necessary for the most obvious reasons.

In a half-apologetic manner the syndicate had asked financial men to accept seats on the board of directors. The new officials suggested that, with the presence of Donald A. Smith in the House of Commons again, it was time to make an advance all along the line. It was also opportune that directorships should be given to members of the House of Commons. And instead of treating with the rank and file of either of the political parties in the House, the services of party whips should be engaged as far as possible. By securing their co-operation, more than one object could be attained. It might be possible through their influence to prevent the nomination of certain candidates for the House, who, so far, had failed to see eye-to-eye with the syndicate, especially one on the Liberal side of the House, who had been most insistent in declaring that it might be necessary for a Royal Commission to inquire into the political actions of the syndicate. The syndicate had no longer any thought of being a suppliant at the feet of Parliament. Its mastery might now be asserted.

There was surely no reason why members of the Board should not be secured from among those occupying the highest positions in the gift of the people. With an eye to the future this policy was agreed upon, and in carrying it out excellent results were obtained. Donald A. Smith had the satisfaction of seeing both a Speaker of the House, and a First Minister of the Crown on his board of directors. With such aids it would be surprising if any legislation

that might be desired was looked for in vain. With such a public acknowledgment of their influence in the state one would have thought the syndicate might rest on their laurels. They had been given all they demanded, and they had demanded much. But there seemed no satisfying their ever-recurring pangs of hunger. Their appetite was stupendous. So once again they set to consider whether there was not something else in the possession of the people of Canada that they could get their hands on. Among them were those who had no narrow views as to the limits of exploiting public property, provided it could be done with some outward pretence of furthering general public interests, or for which some alleged Imperial necessity could be used as a cloak.

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XX

"And Ahab spake unto Naboth"—Looking for another grab—The Intercolonial railway—An unsatisfactory Prime Minister—Sir Mackenzie Bowell—The "nest of traitors"—A successful cabal.

"And Ahab spake unto Naboth, saying, Give me thy vineyard, that I may have it for a garden of herbs, because it is near unto my house: and I will give thee a better vineyard than it; or, if it seem good to thee, I will give thee the worth of it in money.

"And Naboth said to Ahab, The Lord forbid it, that I should give the inheritance of my fathers unto thee. . . .

"And Jezebel his wife said unto him, . . . I will give thee the vineyard of Naboth the Jezreelite."

Under the original agreement with the Government the Pacific Railway syndicate received a bonus of $25,000,000 (£5,000,000), 25,000,000 acres of selected lands which will realize the Company $350,000,000 (£70,000,000), and portions of the main line of the Pacific Railway upon which the people of Canada had expended nearly $30,000,000 (£6,000,000). In addition to all this, Donald A. Smith and his associates had borrowed from the Government $30,000,000 (£6,000,000) in 1883, and a further $15,000,000 (£3,000,000) in 1884. If the Canadian public had

not by this time become so accustomed to the manœuvres of the Company as to be too apathetic to resist them, the fact that they were once again looking around for yet another dainty dish to set before their king, might have caused surprise as well as uneasiness. Inasmuch as it did not, shows how completely the people were then under the heel of the Canadian Pacific syndicate.

The Canadian Government owned a railway, 1500 miles long, running from Quebec to two Atlantic ports—St. John and Halifax—the route lying through the Maritime Provinces. This line had cost Canada about $65,000,000 (£13,000,000). In its inception it was looked upon more as a political necessity than as a business investment. In fact the construction of the line was one of the terms of the Confederation of the provinces. It can scarcely be claimed that the management had always been business-like, the result being that it was a constant bill of expense to the people of Canada. Almost every year Parliament was asked to vote large sums of money for maintenance, and of late it had been under the political control of a Minister who was an ardent supporter of everything that the syndicate wanted. As if in preparation for subsequent events, little had been left undone to make the public dissatisfied with Government ownership of the line.

Donald A. Smith's presence in the House of Commons again was coincident with influences being brought to bear on the Minister in charge, whereby the Canadian Pacific Railway was given free running

powers over one-fifth of this line, with full permission to compete with the Government trains for local traffic. Ahab coveting Naboth's vineyard was a righteous desire in comparison with the longing eyes that the syndicate set on this Government railway. Ahab was willing to pay for the land that he wanted, but in this case the great corporation was looking for a political Jezebel to let them have the line as a gift. It was their intention that the Canadian exchequer should not get anything out of the transaction. It might be necessary to give certain politicians practical proof of the value of their services, but that was a detail which could easily be provided for out of the sale of the securities for which the property could be bonded.

For several reasons, 1894–5 was considered an opportune time to commence an agitation for the disposal of the Intercolonial Railway to the Canadian Pacific Company. The public was told with great seriousness that the railway could never be made to pay under the management of a department of the Government. The annual votes of Parliament were quoted to show the burden of expense that it had already proved. These grants might fairly be taken as an indication of what the future had in store for Canadian taxpayers.

The newspapers subject to the influences exercised by the Pacific Railway supported the suggestion to get rid of the "incubus." The Maritime Provinces, where the people are more directly interested, were the first to take alarm. But it was suggested that a

Canadian Pacific management would bring about many necessary reforms, making the line of greater local service, and they were also assured that it would then be the main line of the great transcontinental system. Apparently the general public were lulled into a sense of false security, and the subject ceased to engage special interest, although the Liberal Press strongly denounced the proposal as inimical to the best interests of the country.

The unparalleled success with which the syndicate had so far manipulated Canadian politicians, had long since given them the necessary courage to pursue the even tenor of their way, utterly regardless of the views that the Liberal party might entertain on the question. But they were well aware that there would have to be a change in the *personnel* of the Government, before getting their covetous desires realized in respect to the Intercolonial Railway.

Sir Mackenzie Bowell was First Minister at this time. He succeeded to the Premiership by right of seniority, on the death of Sir John Thompson. He was in no sense regarded as belonging to a brilliant order of statesmen. Yet amid corrupt political associations he preserved a reputation for sterling honesty. It might be truthfully said that he was moulded on exceedingly narrow lines. He was singularly intolerant towards every one not attached to the Tory party. This was probably due to his early and continued association with the Orange Order. The Order was a *quasi* political-religious association, essentially Protestant, but far from being essentially religious

in its character. Its members professed the belief that the Order was the bulwark of Protestantism. But the outlook would have been very discouraging for Protestantism if its future depended upon such a broken reed. Although originally founded to perpetuate the memory of the Battle of the Boyne, and therefore purely northern Irish in its character, in Canada it numbered among its adherents almost every nationality and colour. Even Indians were initiated into the mysteries associated with membership during that brief period when the tribes were allowed to vote for Parliamentary candidates between 1887 and 1896. The Order had long been a force in the Tory party, but for more than forty years it had failed to furnish the party with a single politician above mediocre ability. Nevertheless Sir John Macdonald had always acknowledged the head of the Order for political preferment. For many years the Grand-Master's position was associated with a portfolio in Tory Cabinets.

Sir Mackenzie Bowell was strong in two extremes of character—admiration and hatred. His admiration for Sir John Macdonald, and the reverence that he entertained for the memory of that great personality was to him a religion. His hatred for the Tupper family, although one was a colleague in his own Cabinet, and the other was his High Commissioner in London, also partook of the nature of religious fervour. Upon Sir John Macdonald's reputation there was one stain, at least—that growing out of the Pacific scandal of 1873. And it was on this account that Sir Mackenzie Bowell had never allowed himself to forgive the part

that Donald A. Smith had played in that exposure. In his opinion Donald A. should never have been recognized by the party again. This mental attitude certainly formed the foundation of an insuperable barrier to the realization of the Railway syndicate's aspirations to secure the Intercolonial Railway as a free gift.

So far Sir Mackenzie Bowell had not been wanting in loyalty to the Pacific Railway syndicate as a corporation, but he had been equally emphatic in denouncing the desertion of Donald A. Smith in 1872. That he would be a party to the proposal to present the Intercolonial Railway as a gift to the syndicate was regarded as beyond the range of possibility. Therefore as First Minister he must be deposed. How this was to be accomplished was a problem. Great care would have to be exercised to prevent such a political crisis as might precipitate the downfall of the whole party. His colleagues were sounded as to the possibility of the chief's retirement, and their report was that he was determined to remain First Minster until after the then-approaching elections.

Then determined efforts were put forth with the object of driving him out. The proceedings at Cabinet meetings ceased to be secret. His suggestions in the Privy Council Chamber regarding the policy of the party and the transaction of business in Parliament, then assembled, were met with insulting laughter and scorn. His recommendations for appointments to vacancies in the service were promptly negatived. No Order-in-Council which he introduced was

passed. For weeks the Executive Council Chamber was little better than a comic opera. Every time he called the Cabinet together it was to receive additional humiliation and insult from those whom a stronger man would have dismissed at once. Public business was at a standstill. All shades of politicians realized "that there was something in the wind." Meanwhile, Donald A. Smith was flitting to and fro, looking as imperturbable and unconcerned as on that memorable occasion in 1873 when he first absorbed all the limelight on the scene.

Within the inner circle it was well known that the proposed presentation of the Intercolonial Railway to the Pacific Railway was making progress. Like a bolt out of a clear sky, the startling information was given to the public (1896) that seven members of the Cabinet had tendered their resignations to the Premier. It was thought by the political Jezebels that if the First Minister would look upon this act on the part of his colleagues as a hint that he no longer enjoyed the confidence of the party, he might be replaced by a Premier who would see the Intercolonial Railway project through that session. The influence of the syndicate practically dominated both the Senate and the House of Commons at this time. Days were succeeded by weeks, and still the cabal continued.

Sir Mackenzie Bowell administered the affairs of the Government with less than half a Cabinet. He declined to notify the Governor-General officially of the resignations of his colleagues, although the humiliating political situation was discussed in both Houses.

He sent word to them that if they did not return to their portfolios he would advise the Governor-General to call on Wilfrid Laurier to form a Government. They knew that was an idle boast, and they had only to remind him that such an action would bring down on his head more bitter maledictions from his own party, throughout the country, than had been poured out on the traitors of 1873. They refused to return. They openly boasted that they "would drive the old dog out." At the same time he was referring to them in the most public manner as a "nest of traitors."

The most influential personality on the Government side of the House of Commons just then was Donald A. Smith. He may not have been admired by the rank and file of his party for the time being, but they knew his power. One word of encouragement or sympathy from him and Bowell's Cabinet would have been reorganized. The "nest of traitors" would have been out, Bowell would have been confirmed in his position as Premier, and then have gone to the country with a reorganized and probably a fairly strong Cabinet.

But Donald A. Smith had not forgotten that memorable scene in the House eighteen years previously when his associations were with the opposite political party, and Mackenzie Bowell was one of the most active in hurling insults at him across the floor of the House. And the consideration might also have had some weight, that, if the Bowell Cabinet remained in office, the Intercolonial Railway would continue in

the Government possession. There were many reasons why the cabal should be allowed to succeed. Donald A. Smith was again keeping his own counsel.

It was evident that the Tory party, which had proved invincible for eighteen long years, largely through the influences of Donald A. Smith and his colleagues, was fast going to pieces. The canker-worm had eaten into the body politic and had completely destroyed the vitality of the greatest political party that Canada had seen up to that date. Sir Charles Tupper, who had been in and out of the position of High Commissioner, as party needs dictated, and whose son was one of the " nest of traitors," was sent for, to see if he could not bring about a better state of affairs. On his arrival he proceeded to act as intermediary between the factions.

Although Sir Mackenzie Bowell did not hold the High Commissioner blameless in the intrigues to get rid of him, he gracefully accepted the inevitable, and agreed, if the " traitors " would return, to resign the Premiership as soon as the session was concluded. He also promised that he would then advise the Governor-General to send for Sir Charles Tupper to form a Government. The Canadian Pacific magnates had undoubtedly won. A distinct advance had been made in the prospects of the Intercolonial Railway passing out of the possession of the Government. A Prime Minister who might have stood in the way had been deposed. The intriguers knew that some Canadian statesmen could be approached, but Mackenzie Bowell was not among the number.

XXI

A satisfactory First Minister—Fishing for forty millions—Sir Donald as High Commissioner—Laurier's political strength—Stirring up religious strife—Hierarchy recognized by the state—Laurier successful—The coming Prime Minister.

On the accession of Sir Charles Tupper to the Premiership, coincident with the dissolution of Parliament, Sir Donald A. Smith was appointed to the position of High Commissioner for Canada in London. He had previously been knighted on the recommendation of Lord Aberdeen. The announcement that the new knight would take up his residence in London as the official representative of the Dominion, was received with mingled feelings. It was believed that his enormous wealth would be freely expended at the heart of the Empire in bringing Canada to the front, and that he would soon become a not unimportant figure in official circles. But at the same time it was well known that Donald A. Smith had never taken any action in his life that was not the subject of cautious calculation beforehand. The routine of the London office could have no possible attraction for him, nor yet its official character, unless there were other considerations. As to whether there were any, the public was left to conjecture. In his connection

with the politics of Canada Sir Donald A. Smith had always carried his cards up his sleeve. It was known in an inner circle that he was not adopting on this occasion a policy inconsistent with that characteristic.

The preliminary arrangements for the passing of the Intercolonial Railway over to a syndicate in the interests of the Pacific Railway had advanced to such a point as to justify the London market being sounded on the question of bonding the line. The amount that it was thought might be raised was between thirty and forty million dollars (six or eight million pounds sterling); the latter figure was finally decided upon. The report received by the prospective beneficiaries in Canada from London was that, with a representative in the office of the High Commissioner in London who was friendly to the project, all the money that was needed could be easily secured. There could be no better selection for the position, in the opinion of those who wanted to see the project go through, than the highly respected original backbone of the syndicate, Sir Donald Smith, and, moreover, he had long been considered the Ahab in the suggested transaction. It was calculated that with forty million dollars in cash or Intercolonial Railway bonds, allowing a reasonable margin for "expenses" of the character that had been necessary in previous Government transactions, there would still be over thirty millions of dollars for their own pockets.

This particular syndicate had learned through twenty years' association with Canadian politics that

certain opportunities to those who have power seldom come more than once in a lifetime. But when they do, the value of services on the second occasion are higher than on the first. Those having this matter in charge well considered this phase of the question. As was said by Lord Clive, when he heard his offences enumerated in the House of Lords, that he was amazed at his own moderation; so certain members of the syndicate had reason to measure not a few Canadian politicians by their previous illuminating experience—expensive lessons, but enduring. They, therefore, intended to exercise every care to make sure of their own haul out of the sale of the bonds, before handing the railroad over to the management of the Canadian Pacific. So satisfied was the clique that the oracle could be worked that a prospectus was printed, and everything arranged to make a public issue. One-half of the bonds were to be taken by the syndicate.

Sir Donald A. Smith found himself in London as High Commissioner for Canada—the highest position at the disposal of the Dominion Government—the official representative of the country to which he had emigrated as a friendless lad sixty years before. In that western country he had played for heavy stakes, both in the western States and in Canada, and he had won; but in the game of chance or skill he had not yet won his last trick. He could count upon, as the instruments of his will, many men who had ranked as brilliant statesmen. Perhaps some in the wider field of Imperial politics would have been more careful

of their own honour, and the permanent interests of their country. And he had met statesmen in the Canadian Parliament whose sense of honour, and love for their adopted country's future, had made it impossible for him to use them for the advancement of his personal interests.

One wonders whether Sir Donald A. Smith ever reflected if all that he had won was worth what it had cost. He and his colleagues had gone through fire, though not of the sort that purifies. They had fought many battles, and had come forth with colours flying and ranks intact. What mattered it to them, that from the Great Lakes to the Atlantic the country was dotted with the political tombstones of those who, struggling to protect the public interest, determined to hold fast their integrity, never wavering in their patriotic belief in the great future of their country, ever standing firm in opposing the syndicate, had been wiped out of existence? At this moment a Government was in power which was to a greater extent his individual creation than any of the several with which he had had experience. If this administration could be successful at the pending elections, the Intercolonial Railway stood a good chance of falling into the capacious maw of the great railway syndicate which he had brought into existence, What were the Canadian electors likely to do? That was the problem that was awaiting solution. Sir Charles Tupper was Premier, and if he was successful at the polls, he would certainly dominate his Cabinet. He would not

tolerate intriguers as Sir Mackenzie Bowell had done. No Canadian politicians had better cause to understand each other than the High Commissioner and the First Minister of Canada. They had exchanged confidences in the early 'seventies such as few men give one to the other. They had fought like Kilkenny cats on that memorable occasion in the House of Commons in 1878 until scarcely the tails of personal reputations were left. But Sir Charles Tupper was not Scotch, he had a forgiving nature, and had long since forgiven the " treachery of 1873." Lord Strathcona, although he was Scotch, always pardoned offences if the offender would serve him later. With such charmingly diversified dispositions it would be a pity if they could not agree!

Surely the fates were propitious. Wilfrid Laurier was leading the Liberals apparently on a forlorn hope. The clergy in Quebec, Laurier's own province, were believed to be unfriendly, and the Pacific Railway organization set to work systematically to inflame the Catholic electors against him. The managing director of the railway, Mr. (now Sir) Thomas Shaughnessy, recently an American citizen, was an ardent adherent of the Mother-Church. He could prove his devotion to the Church, if not the earnestness of his religion, by his strenuous opposition to Laurier, the Liberal, and at the same time keep a watchful eye on the interests of the railway. With the railway management, as with the operations of the syndicate, politics and business had run together for

many years. There was no reason to suppose that a little religion should not prove an equally good running-mate.

Another reason actuating the Pacific Railway opposition to the Liberal party was the Royal Commission, so strongly threatened by influential Liberals, to inquire into the political expenditures of the company during the preceding fifteen years. But the argument advanced to the Catholics why they should vote against the Liberal candidates was that Laurier had opposed the Remedial Bill which the Government of Sir Mackenzie Bowell, at the request of Archbishop Langevin, had introduced to Parliament. This measure was to re-establish separate Catholic schools in Manitoba, which some years previously had been abolished by the legislature of the province. It seemed probable that, if the passions of the electors could be appealed to successfully on religious grounds, the syndicate might ensure the defeat of the Liberal party, and thus avert the threatened inquiry into the Augean stable of political corruption in which the syndicate had revelled since 1878. It was a sight for the gods—descendants of those who had followed John Knox trying to find a hiding-place behind the *soutane* of the Roman Catholic hierarchy.

The contest was a battle-royal. In almost every constituency in Quebec the clergy, moved by common impulse, denounced the Liberal candidates.[1] To an outsider the issue must have seemed inevitable, and

[1] Appendix, 15.

that Laurier could win in the face of such overwhelming odds an impossibility.

It should be remembered that the French population in Canada is truly religious above everything else. The late Monsignor Stoke-Robinson told the writer many years ago that they are regarded in Rome as amongst the most devout in the entire Catholic world. They have little use for one of their own faith who has too liberal views in religion. Their religious fervour demands entire submission to the teachings of the Church, and they were not encouraged to discriminate between Liberal politics and Liberal Catholicism.

The Church had been accustomed from time immemorial to take a more or less prominent part in the politics of the country. Under the *grand-monarque*, Louis XIV, the right of the Church to a seat in the governing council was acknowledged, and the authority of the clergy in the Government of the country was unquestioned in the early days of British rule, as in the treaty ceding Canada to Great Britain their rights were specially recognized. When emissaries from the American revolutionists in 1775 endeavoured to seduce the French Canadians from their allegiance, the influence of the clergy, without exception, was exercised in favour of the British Crown; and on the occasion of the rebellion in 1837, the clergy denounced the action of Louis Papineau, the leader of the malcontents in Lower Canada, and his followers. It was not until the later 'seventies that clerical interference in an isolated election was seriously questioned,

but in the meantime the breach was slowly widening between Ultramontanism, represented by clerical interference in the political life of the province, and that section of the Church which thought such an attitude on the part of the clergy inconsistent with democratic government.

However, in spite of all the dust thrown up by local complications and religious difficulty, Laurier's supporters never wavered. The Liberal leader's attitude upon the Remedial Bill was boldly justified on the ground that the subject of education was entirely within the rights of the legislatures of the provinces. To admit the claim that the Federal Parliament could force a system upon a province in opposition to the expressed will of the people, was to establish a precedent at Ottawa that might be quoted some day as justification for interference with the autonomy enjoyed by the Catholics of Quebec. There might be a temporary gain by the adoption of the Remedial Bill, but the consequences were fraught with disastrous possibilities in the future from even the Catholic point of view. Laurier's supporters in Quebec pointed out also, to enthusiastic gatherings, that now was a chance to have a French-Canadian and a Catholic as Prime Minister in an English-speaking and largely Protestant Dominion—an opportunity that might never occur again. This appeal to the pride of race proved more powerful than the terrors of excommunication threatened by so many of the clergy.

Among other questions of interest, not the least

was the general opposition to the part the syndicate persisted in taking in the elections. While the individual members of the syndicate, largely represented in the public eye by Sir Donald A. Smith and Lord Mount Stephen (formerly George Stephen), both of whom were pronounced Imperialists, the management of the railway was really in the hands of recently imported citizens of the United States, who had taken the short cut allowed by the Canadian laws to become full-fledged "British subjects." The humiliation of having erstwhile American citizens, very recent at that, attempting to direct the politics of the Dominion was rather a noxious dose even for those Imperialists who were not occupying the seats of the mighty.

The public resentment against this open and unreserved attitude on the part of the Canadian Pacific undoubtedly helped to throw the balance of power into Laurier's hands in 1896. The Tories were led by Sir Charles Tupper, one of the ablest statesmen Canada has produced. He had been kept in London by the jealousy of mediocrity. He was sent for when it would have been easier to revivify an Egyptian mummy of the time of Pharaoh. The Tory party was afflicted with dry-rot. Nevertheless, he entered the campaign with magnificent courage, and boundless resource. The corporations subsidized by the Government and an army of officials put up a good fight. Neither the Tory party nor the syndicate could believe other than that a miracle had happened when

Laurier carried a majority in almost every province. The Tories and the Ultramontanes had forced the issue in Quebec, and they were hoist by their own petard. The Liberal candidates swept the province like an avalanche, notwithstanding the action of the clergy, in fact even assisted by it. During the years that the Liberals had been in Opposition a new generation had arisen in public life. Laurier was surrounded by a galaxy of talent such as Parliament had not seen for twenty-five years. The Liberal victory was regarded on all sides as a red-letter day in the history of Canada. The whole country was ripe for a change, and great things were expected from the coming administration.

XXII

Donald A. changing his politics again—Intriguing against Laurier's colleague—The power of wealth—The monetary kings win—Where the blow fell—Ambitions never realized—Liberals and the hierarchy—An appeal to Rome—Ultramontane and Orange—A Papal decree.

If the syndicate had lost by the defeat of the party with which they had been so intimate, the next best thing was to make friends with the new rulers as soon as possible. It did not signify, in their estimation, that, because they had expended enormous sums of money in keeping the Liberals out of power at Ottawa for nearly two decades, they should not make peace with them when they were in. They did not allow any false sense of modesty to stand in the way of approaching Wilfrid Laurier and his followers with the olive branch; for had not the Liberal leaders threatened that as soon as they came into power they would issue a Royal Commission to inquire into all the political expenditures authorized by the syndicate and the Company? It was bad enough to have their hopes of securing possession of the Intercolonial Railway crushed, as had certainly been done by the defeat of Sir Charles Tupper's Government, without having to face an exposure that would "stagger humanity" wherever responsible government was known.

Those who had become honoured and distinguished knew that such an investigation would reveal a more demoralizing state of affairs than the exposure of the former Pacific scandal, which had been so vehemently denounced by Donald A. Smith in 1873. They were prepared to stand the loss of the profits which might have been realized by the Intercolonial Railway project going through; but none could stand the revelations shown up under the searchlight of a Royal Commission. Therefore, no time must be lost in propitiating the prospective First Minister. They all knew that Laurier's ideals of public life were too high to allow influences, such as they were accustomed to exercise, being brought into operation. However, with financiers of that class the resources of wire-pulling are seldom exhausted.

The master-minds of the intriguing combination were going to take no risks by placing all their eggs in one basket—that of the good-will which they hoped might be cultivated with the coming First Minister. Wilfrid Laurier's most prominent colleague was Sir Richard Cartwright, who held very pronounced views on two particular subjects—the tariff and the political immorality of the Canadian Pacific syndicate. To the latter he attributed the flood of corruption that had swept over Canadian politics since 1880. He was more insistent than any other prominent Liberal, since Edward Blake's retirement, in threatening an investigation under Royal Commission. To clip Sir Richard's wings, and perhaps

crush his spirit, was regarded as essential. In early political life Cartwright had been regarded as the rising hope of the Tories, but he afterwards found himself out of sympathy with his leader. With the single exception of Sir Francis Hincks there has been no one in Canada with the peculiar aptitude for Government finance that Cartwright possessed. He had been Finance Minister in Alexander Mackenzie's administration from 1873 to 1878. No one else was thought of, during the long years between 1878 and 1896, as head of the Treasury in a prospective Liberal Government. In every suggestion about the prospective *personnel* of the Laurier Cabinet, Sir Richard Cartwright's name appeared as Minister of Finance. It was the accepted view.

But there were breakers ahead, undreamed of by the rank and file of the party. A Liberal member of the House of Commons and the party whip, Mr. James Sutherland—who was personally unfriendly to Cartwright, and who was known to have very intimate relations with the Pacific syndicate—organized a deputation of official representatives from all the Banks for the purpose of protesting to Wilfrid Laurier against the appointment of Sir Richard Cartwright as Finance Minister. The principal reason given was his alleged advocacy of a reduction in the tariff. The deputation claimed that Cartwright's appointment would create uneasiness in manufacturing and financial circles, as indicating drastic changes in the fiscal policy of the country. Laurier defended Cartwright warmly,

pointing out that the Finance Minister under the present form of Government had no more authority to effect changes in the tariff than any other individual member of the Cabinet, and that the tariff, in whatever changes might be proposed, would be the policy of the Government as a whole. The bankers, however, had not come to argue, but to act. They finally declared that if Sir Richard was given the portfolio of Finance, they would immediately withdraw all their call loans, amounting to $125,000,000 (£25,000,000) and thus bring on a financial crisis.

Wilfrid Laurier did not realize his power at the moment, and indeed, perhaps, it was not sufficient at that time. In later years he would have certainly treated such an audacious threat with the contempt that it deserved. But he then yielded to the monetary magnates, and regretfully decided to meet their views. He felt he could not afford to have his Government face to face with a commercial crisis on the threshold of its existence. Another might have taken the risk. It is needless to discuss the reply which would be given to a deputation of that kind by a British statesman, or even the possibility of such a deputation being organized in Great Britain. Cartwright did not get the portfolio of Finance, and the ambitions and hopes of eighteen years were blasted. Both the Canadian Pacific and the manufacturers had scored in the first round with the victorious Liberal party.

Wilfrid Laurier's caution at this critical period was prompted by no want of loyalty to a faithful colleague.

His esteem for Cartwright amounted almost to affection. He was genuinely anxious to protect Cartwright from the tide of adverse influences that were being so cleverly engineered. But he was strongly advised to surrender by two very intimate and trusted confidantes. They were both Scotch—one was thoroughly honest in his fears and the other was not. One was Sir Oliver Mowat, the most timorous and conscientious of statesmen, and among whose Tory and official social surroundings in Toronto there was no sympathy with Cartwright, the aristocratic Liberal. The other was Mr. James Sutherland, M.P., the organizer of the deputation, whose close intimacy with the syndicate was not so well known then. It was a different Laurier whom a party cabal met twelve years later, when Cartwright had almost ceased to be a political force. Then, when they requested the Prime Minister to replace him with younger blood, his reply was briefly: "No, Cartwright will be my colleague as long as he desires to remain in public life."

Sir Oliver Mowat was in Montreal when the deputation met Laurier, and wrote to one of his colleagues suggesting that the writer should see Sir Richard at Kingston, inform him of what was going on, and tell him what was likely to be Wilfrid Laurier's decision. Sir Richard was calmly waiting the current of events in his delightful home on the banks of the St. Lawrence, just where the waters of the Great Lakes enter the river. The news of the intrigue was like a bolt out of a clear sky. Nothing of the kind had been

even dreamed of. The blow was staggering. The writer can never forget that sight of a strong man suddenly crushed. Silently we went out on the lawn down to the water's edge while he tried to recover himself. At last his spirit flamed up and asserted itself as he exclaimed passionately: "This is the syndicate. They are hiding behind the manufacturers. The Banks dare not carry out their threat! It is a vile plot! Laurier cannot, cannot——" he added brokenly. However, subsequent events proved the inevitable. Cartwright accepted the portfolio of Trade and Commerce, but he was never the Cartwright of old again. For eighteen years he had spared neither time, energy, nor fortune in his party's interest. His private affairs had not received his personal attention. His sacrifices on this point had been immense. He had dreamed dreams of bringing about more intimate political and commercial relations with the Mother-country; and perhaps, also, for playing a leading part in negotiations for closer ties between Great Britain and the United States—an English-speaking alliance as an influence among the Great Powers. These were aspirations worthy of the highest ideals of Imperial statesmanship. But this ambition was shattered, and became lifeless under the new conditions. A great mind that had seen Imperial visions, narrowed into bitterness, resentment and jealousy. The political python which had crushed the aspirations of scores of prominent Liberals during the preceding sixteen years, whose only offence was

their love of country, had found another victim. But far worse was yet to follow.

After the election, the Liberals, smarting under the clerical denunciations to which they had been subjected, resolved upon drastic measures to prevent their recurrence. Truly the Canadian Pacific Railway in organizing the Church campaign against Laurier and in fanning into flame the smouldering embers of religious intolerance, had built up the cause of Canadian political liberty better than they knew. It was realized on all sides that a crisis had been reached, between those in the Church who supported clerical participation in the political affairs of the country, and those who thought the time had come when such a course was inconsistent with democratic government; the latter claimed to represent the vast majority of the Catholic electors in Laurier's native province. Shortly after the formation of the Laurier Government a meeting was called of all the Catholic representatives of Quebec. The influential character of the conference stands unquestioned—Wilfrid Laurier and his Catholic colleagues of the Federal Cabinet, Senators and Members of the House of Commons, Sir Louis Gouin, Premier of Quebec, and his colleagues, and Members of the Legislative Council and of the Legislative Assembly of the Province. No country over which the successor of the First Bishop of Rome exercises spiritual sway could bring together more devoted adherents of the Church. Among them were statesmen who were destined to stamp their personality

upon the history of Canada to a degree far exceeding that of any who had gone before, and whose administration of the public service would bring about a national development heretofore unparalleled in the life of the Dominion. It was resolved to memorialize the Sacred College of the Propaganda at Rome. The signatories were all Catholics fervently devoted to the interests of the Church. They represented the great majority of the Catholic population of the province. They claimed that the right to political liberty was not inconsistent with the spiritual life of the Church. They viewed with alarm the increasing strain that must be inevitable between the parishioners and the clergy by a continuation of the extraordinary political activity of the hierarchy so recently evident throughout the province, and they humbly prayed that the subject might receive the attention of the Holy See.[1]

The Ultramontane wing of the Church was up in arms at the unparalleled audacity of the Liberal party, steps being immediately taken to prevent the official acceptance of the memorial at Rome. And for a time it looked as if they might succeed.[2] But Laurier and his associates had taken the bit in their teeth, and were not going to be turned from their purpose. In fact they were more determined to press the matter. Laurier was no longer the leader of a forlorn hope in a Parliamentary minority. He was a Prime Minister of a great Colony, recently knighted at Queen Victoria's Diamond Jubilee, and had been the social and political

[1] Appendix, 16. [2] Appendix, 17.

lion of the last London season. His request for a hearing at Rome was not as a voice crying in the wilderness. It was determined to reach the Great Head of the Church himself, Leo XIII, whom the world now recognizes as a great statesman and diplomat, with the memorial. The good offices of Lord Russell of Killowen and other prominent British Catholics were secured, and eventually His Holiness was made aware of the serious position of the Church in that part of the Catholic world where her supremacy had hitherto given no cause for anxiety to the careful watchmen on the towers of Rome.

To the Protestant world, in which sectarian issues also become sometimes acute, the subsequent events in the province of Quebec are of more than ordinary interest. In the then recent elections in Canada the great bulk of the Catholic clergy had supported the Tory candidates, who in turn were political followers of Sir Mackenzie Bowell, the late Dominion Prime Minister and the acknowledged head of the Orange Order. Not a few had been threatened with excommunication from the Church as the penalty of voting for the Laurier candidates. Lord Londonderry, Sir Edward Carson, or Captain Craig never expressed themselves more fearful of Catholic domination or Rome Rule than had Sir Mackenzie Bowell in his 12th of July orations. Yet Orange and Ultramontane had walked arm-in-arm to the polls for a quarter of a century. Once again they managed to find common ground upon which to attack Laurier. Both denounced his appeal to Rome—Orange alleging that

Laurier, by the memorial of the Liberal Catholics, formally admitted the right of the Holy See to political jurisdiction in Canada; and Ultramontane alleging Laurier's determination to undermine the authority of the Church in his native province.

Meanwhile events were moving at Rome, regardless of influences at work within and without the Sacred College. His Holiness appointed the present Secretary of State at the Vatican, Cardinal Merry Del Val, as Papal Legate to Canada to investigate the whole matter. This representative of the Church was the youngest priest ever sent on such an important mission. It may not be for a Protestant to express any opinion about his fitness for the post to which he was appointed; but the wisdom of the selection was never questioned in French Canada. Of Spanish descent, educated in England, presenting a most charming personality, he mingled freely with all the different factions in Canada for a year. During his residence there the slightest hint of the trend of his thoughts never reached the leaders on either side. But shortly after his return to Rome a pronunciamento was issued by Leo XIII prohibiting further active participation by the clergy in the political affairs of the country. By this decision the Church gave another illustration of the reasonableness of the conclusion arrived at by Lord Macaulay in his review of Ranke's *History of the Popes*. And this all-important struggle for political liberty in which Laurier gained the hall-mark of Church authority upon his victory, is the most vivid illustration of the "biter bitten" it would be possible to find in any history.

XXIII

Making peace with the new ruler—The threatened Royal Commission—Laurier and Sir Donald—A seat with the Peers—Cecil Rhodes and Strathcona.

BEFORE Wilfrid Laurier realized what was taking place, immediately following the satisfactory returns from the polls, he found himself burdened with congratulatory cables and telegrams from many through whose opposition he had suffered for eighteen years. And not the least important were from those connected with the Pacific Railway. Canadian contractors have a reputation for changing their politics as quickly as the *personnel* of Governments. But members of the old syndicate did not wait for the change to take place. They outdistanced the contractors by weeks. Thus, long before Laurier was summoned by the Governor-General to form a Cabinet, leading Liberals were loaded down with the proffered support of erstwhile opponents.

It became evident to the public from the beginning of the Liberal *régime*, that the prospect of the oft-threatened Royal Commission of Inquiry into the political character of the Canadian Pacific Railway taking place was problematical. Wilfrid Laurier was taken in the flush of victory, just at the time when one is inclined to be at peace with the world, and

magnanimity is one of Laurier's strong characteristics. It was only necessary to offer friendship to secure forgiveness. He needed to be more than ordinarily magnanimous to have forgiven so readily, for he had much to forgive, and but few of his party approved of the course he adopted. Had he known the full measure of his strength, and the public conviction behind him which had put him in power, perhaps he would not have been so easily overcome. And if the course had been taken that the circumstances justified, he would have saved Canada from not a few pitfalls in the years to come.

The High Commissioner in London has always occupied the most confidential relationship with the Cabinet at Ottawa. The position, hitherto, had been filled by a political associate of the Government of the day. Sir Donald A. Smith had only been in the office a few weeks when the Tupper Government which had appointed him was defeated at the polls. Sir Charles Tupper immediately cabled Sir Donald A. Smith, urging him not to tender his resignation, following his cable with a letter strongly suggesting to the High Commissioner to act on his advice. The reasons for this course are fairly obvious. With Sir Donald A. Smith's appointment as High Commissioner confirmed by the new Government, the threatened inquiry into the political relations between the syndicate and the Tory party might be made very difficult, if not impossible. The Tory leader, Sir Charles Tupper, knew that it was most desirable that

such an inquiry should be avoided at all costs. It was only natural to believe that, if the head of the syndicate became an official of the new Government, there would be no inquiry. But Sir Donald A. Smith had a stronger sense of the proprieties of the situation than his political chief, Sir Charles Tupper, and he offered his resignation to the Government. Wilfrid Laurier must have known that there was no more dangerous political power in Canada than Sir Donald A. Smith. He was especially to be feared because he never ventured into the open. All his influence was exerted in the background. Perhaps Laurier thought that by keeping him out of Canada there might be an opportunity of raising the tone of Parliament, which was not possible with the chief member of the syndicate continually in evidence. Perhaps the new First Minister may have been anxious to conciliate Sir Donald, knowing that he had been most useful as a supporter of every Government which had existed in the Dominion since Confederation. Certainly no qualms of conscience that Sir Donald was not capable of overcoming would prevent his accepting with commendable grace the advent of a new political party at Ottawa. Laurier may have believed that the influence of the Canadian Pacific would never be turned against his party with Sir Donald as a Government official, and it was quite certain that the shrewd head of the syndicate could be depended upon to remember the humiliation of his removal from London by a substantial contribution to the Tory party funds.

The Tories had convinced themselves that Laurier's victory was an accident that would not be repeated. Five years in the life of a party are but as a day, and they thought the elections of 1901 would remedy the catastrophe which had overtaken them. In the meantime steps were taken at Montreal to induce the Liberal leader to allow Sir Donald to remain in London as High Commissioner. He was himself anxious to get into the good graces of the new Cabinet, and, with his growing wealth and influence was becoming personally and officially well known in London. Upon these mutually satisfactory grounds Sir Donald was confirmed in his appointment to the public service of the Dominion Government.

But the syndicate had won the trick in the new deal of cards. The threatened investigation became impossible. Had it taken place it is inconceivable that some action would not have been taken by Parliament to prevent a continuance of such influences being exercised.

In the Diamond Jubilee year of Her late Majesty, a peerage was conferred on Sir Donald A. Smith. The journey had been stormy and tempestuous from the bleak shores of Hudson Bay in 1837 to a seat in the Red Chamber of the British aristocracy sixty years later, 1897. The British race has always recognized success, and, if success in life is to be measured by the accumulation of wealth, the subject of this honour was worthily recognized. Charity may cover a multitude of sins, but it must give first place to

wealth. The new peer desired to assume the title of Lord Glencoe. But strong protests were received from countrymen of his own who claimed a first interest in that particular title.

At this time Lord Strathcona secured a lease of a small estate originally belonging to the Macdonalds of Glencoe, including the ancestral home. This property is situated on the west coast of Scotland, near Ballahulish. Hard by stands the memorial pillar that was erected by the remnant of the Macdonald clan, to perpetuate the memory of those who perished in that needless and heart-breaking massacre of the Macdonalds at the end of the seventeenth century.

Their old homestead had long been in the hands of others. The representative of the clan had been absent in distant lands for many years, seeking his fortune with his star of hope always pointing towards the return to his native land. His dream by day and night was to rescue the home of the clan from strangers, and establish again, within its humble walls, the hospitality of his ancestors. This had been his inspiration as he slowly gathered sufficient money to realize his purpose. But he delayed his home-coming a few weeks too late. The option of the property had passed into the possession of the new peer, followed, shortly before the return of the head of the clan, by the title-deeds, much to the grief and disappointment of the remnant of the Macdonalds. He wanted to buy it from the new owner, but the matter had gone too far for reconsideration. Then

overlooking the old homestead at the foot of the hill, and beneath the shadow of the famous Glencoe Pap, Lord Strathcona erected a magnificent country seat.

Lord Strathcona's career is sometimes coupled with that master Empire Builder, Cecil Rhodes. For many reasons it is pardonable to say that there is little to compare, and much to contrast, not only in their early, but also in their later careers. Neither was a native Colonial. The one made South Africa, the other Canada, his adopted country. They both accumulated enormous fortunes in the lands of their adoption; both entered public life, both had great private interests at stake, both had wonderful capacity in their respective spheres, both were the constant dread of their opponents, neither ever allowed an opponent to cross his path with impunity.

The one, young in years, ranked as a statesman and a leader of men soon after he entered public life; his vast wealth was accumulated beyond the influence of legislative enactment; his personal interests never dominated a public action; he entered the open lists with his personal or political opponents, with true British manliness; he projected a great railway from the Cape to Cairo, but not with a suggestion of personal profit thereby. And when an untimely death cut short a brilliant career, he left the Parliamentary arena in South Africa, with all its associations, as free from stain and reproach as is the Parliament at Westminster.

The other entered public life when years of dis-

cretion had arrived; he was in no sense a Parliamentary leader; his private interests became entangled from the beginning with the politics of the country; legislation enacted by Parliament added vastly to his wealth and influence, and Parliamentary machinery was deliberately used to attain this end. His personal interests dominated the legislation of his country; his opponents, either political or personal, or those whom he chose to place in that category, only knew of his antagonism towards them when he had secretly obtained their defeat or ruin. And when he withdrew from public life, he left a Parliamentary atmosphere thoroughly vitiated and corrupt, through the influences of a great corporation which he had brought into existence and of which he had been the controlling influence.

In South Africa, Australia, and New Zealand, by the authority of Parliament, enormous expenditures have been incurred in the construction of railways that are the property of the State. There is no record showing that the public men of those Colonies participated in the profits associated with these undertakings. Consequently, the humiliating contrast, proved by the Parliamentary records, in connection with railway enterprises in Canada, is appalling in the extreme.

XXIV

Protecting the toilers—Opposition to rival railway lines—Knifing the Government policy—Standing by the combine—What negligence has cost Canada—Taking the farmer's life blood—Departmental neglect.

THE degree of gratitude that the toilers in the western provinces owe Lord Strathcona is not remarkable for its warmth. With his associates he secured the only channel in the United States through which the products of the prairies could find an outlet for many years. He also obtained control of the Canadian charter, and secured an absolute monopoly of all the carrying trade, outward and inward, of the whole western country. By the terms of the agreement with the Government the syndicate was confirmed in this monopoly for twenty years, extensive concessions relieving the corporation from the payment of taxes and rates while it was practically allowed to charge the most extortionate freight rates—the last-named privilege being exercised to the fullest extent. Lord Strathcona seems not to have troubled himself with this aspect of the case. The management was left to the control of imported officials. Presumably he never heard about the complaints by the western farmers who were indeed earning their bread by the sweat of their brow. Perhaps it was a mistake on

the part of the victims of the greed of the great corporation that they did not interview him, as both the United States lines for many years were acting upon an agreed schedule of rates with the Canadian Pacific. Discussions took place in the Parliament of which he was a member, and very frequent reports of this agitation appeared in the Press, but possibly such complaints escaped his observation.

During the years that he was High Commissioner questions arose of an equally serious character to the vast body of the toilers in Canada. The grain products of the west had increased to such an extent that Parliament was forced to consider the construction of other transcontinental railways. These projects would open new territory, and furnish railway accommodation in many necessary directions. But they also meant competition with his American and Canadian railways. To favourably consider the means of providing relief to the overburdened worker who was striving against great odds to make a success of his life, when it meant loss, however insignificant to himself or his projects, was probably expecting too much from ordinary human nature. At any rate he had too much to do to give thought to those who amid the loneliness of those boundless prairies were seeking the hard-earned bread of existence.

Sir William Mackenzie came to London year after year with securities that were gilt-edged, in order to push on the construction of the Canadian Northern Railway. But the financial doors were closed, when

a word from the "Empire-Builder" who represented Canada as High Commissioner would have made all the difference at that time between failure and success; although Sir William Mackenzie finally won in spite of the opposition of the High Commissioner's office. The securities he disposed of have long since proved their intrinsic value. In not an instance have the railway projects upon which they were issued failed to meet annual obligations, nor have the guarantors ever been called on for any part of the responsibility they assumed.

And yet again. The emigration flood and the opening of undeveloped areas convinced the Government that the third transcontinental railway was required to move the products of the west to the markets of the world. Parliament guaranteed the Grand Trunk Pacific Railway bonds, and they were offered in the London market. All the wealth and responsibility of the Dominion stood sponsor for the issue. Consols could offer no better security for investment. But the cold shoulder was given by the High Commissioner's office, and the bonds only realized 83, entailing a loss of $6,000,000 (£1,200,000) which the Canadian taxpayers, by the decision of the courts, had to make good.

During Lord Strathcona's occupancy of the London office the Canadian Pacific Railway Company established steamship communication between Liverpool and Montreal. The Company immediately entered into a binding agreement with the J. Pierpont Morgan,

the Hamburg-American, the North German Lloyds and other foreign companies to increase the passenger rates to North American ports, so as to exact still higher toll from the masses who were emigrating to Canada from Great Britain and the Continent.

These increases in the emigration rates during the last thirteen years, Lord Strathcona all that time being High Commissioner, have cost the struggling emigrants to the Dominion over and above what was regarded as a fair rate in pre-combine times—

From the Continent .	$11,500,000	£2,300,000
From Great Britain .	32,500,000	6,500,000
Total .	$44,000,000	£8,800,000

These figures represent only the excess above the rates available before the establishment of the combine. The total amount in excess of pre-combine rates paid by poor emigrants from the continent of Europe and Great Britain to Canada and the United States, in the same period, exceeds $90,000,000 (£18,000,000).

How far this enormous sum might have assisted the emigrants in getting a start in a new country, or what suffering and hardship it might have avoided, may be left to the imagination.

A steamship agreement has also gone merrily along whereby the freight rates on British goods to Canada have been increased fourfold as an "encouragement" of the commercial relations between the Dominion and the Mother-country. Certain natural products that find a market in this country pay a higher freight

rate from Canada than the same commodities from United States ports. During the last two years the freight rates on grain and flour from Canada to Liverpool have been doubled, entailing an additional cost for transportation annually to exporters of Canadian products to Great Britain of $4,750,000 (£950,000). This extra cost must come out of the pockets of the Canadian farmers.

All these remarkable incidents have taken place during Lord Strathcona's tenure of office as High Commissioner for Canada. One looks in vain in departmental documents for the slightest protest by Lord Strathcona in the interest of the Canadian people against these enormous demands. The cry of the western farmer staggering under the load which demands so large a share of his corn before he can eat his bread—the stolid endurance of the eastern emigrant who, with only hope to cheer him forward, must pay so much of his precious savings into the Combine, before he can reach the Promised Land—these received no consideration from the "Empire-Builder." But when these struggling masses meet on the fertile stretches of Western Canada, perhaps they will find that Nature, at least, is more considerate, giving generously for trust and work and love.

XXV

Starting new official life—An ancestral mansion—The ghosts in every room—Trouble with Agents-General—Sir Claude Macdonald—Official invitations—Resenting interference.

In accepting the responsibilities of the High Commissioner's office Lord Strathcona set a pace in many ways that other Canadians will be wise in not attempting to follow. He was no stranger in London, having many personal and financial connections outside the Anglo-Canadian colony. As soon as he realized that the Intercolonial deal was off, and that the papers that had been prepared were useless, he adopted a course that was calculated to wipe out the part he had played in the political life of the Dominion for twenty-five years. He evidently proposed, by entertaining on a scale hitherto beyond the means of his predecessors, to create an entirely new atmosphere around the High Commissioner's office, and, if possible, forget his political experiences. Official business was to give way entirely to the Goddess of Society, who, if at times fickle, can generally be propitiated with gifts.

He looked around for a country residence, where during week-ends he might entertain. He finally decided upon leasing that magnificent Elizabethan mansion, Knebworth, the ancestral home of the

Lyttons. It is truly a lordly pile. The walls are decorated with family portraits of statesmen whose names stand out in bold relief in the honoured roll of British history. The panoply of war, ancient armour and weapons of defence stand in the stately hall. The banner that flaunted in the breeze when Earl Lytton held the Viceroy's Durbar at Delhi and proclaimed the assumption of the title of Empress of India by Queen Victoria hangs from the ancient rafters. Within the beautiful grounds there is much to remind visitors of the great author of *The Last Days of Pompeii*. There are the bedrooms which were occupied by Hampden, Pym and Cromwell when they met in solemn conclave to consider how England could get rid of a tyrant King and a corrupt Parliament. The ghosts and memories of these noble Puritans, clamouring for a Parliament free from all sinister influences, and legislation only for the public good, was strange company for Donald A. Smith, fresh from his Canadian experiences. Yet, what a coincidence! They had made history—so had he. And here for ten years Lord Strathcona entertained right royally. Canadian guests rubbed shoulders with Royalty, Peers, and Commoners. The annual gathering became one of the notable events of the Season, and the sight of the kindly, venerable septuagenarian and Lady Strathcona moving graciously among the guests will ever be a delightful memory to all who were favoured with invitations on these occasions.

Lord Strathcona, after he had been in office two or three years, decided to assert his position as the only official representative of Canada in London. This attitude placed him at once in conflict with the Agents-General of the provinces, who up to this time had been also acknowledged. He intimated to them that they were without official standing, as their title was not recognized by legislative enactment; therefore, in the future they must only expect to be recognized as ordinary persons. The late Mr. Duff-Millar, Agent-General for New Brunswick, said that he would not submit to this dictum. In view of the approaching Season, he ordered an Agent-General's uniform from a court tailor. The tailor, however, with official caution, telephoned to the High Commissioner's office for information about the *bona-fides* of his distinguished customer, and was informed that he had no *locus standi* in official circles. Naturally the paint and feathers were not forthcoming at the appointed time, and the Agent-General had fain to be satisfied with his ordinary evening suit.

These official pretensions suited Lord Strathcona admirably. It was the chief factor's jurisdiction over again. In the Canadian wilds he could not prevent the Indian from donning his paint and feathers, but he could prevent the presumptuous white man from doing so here. This was the first appearance of a peculiar trait that developed later in a more pronounced form—an intensely jealous spirit towards everything that might for the time being overshadow

the High Commissioner's office. The appearance of a letter in a newspaper from a Canadian official, not under his jurisdiction, would immediately cause a scene. He made more than one trip across the Atlantic for no other reason than to get officials whom he did not like, removed.

Like all well-appointed Government offices the High Commissioner's was managed upon the most up-to-date red-tape principles. With the appointment of a Canadian to look after the emigration work of the offices, all inquirers about the Dominion were passed on to this official, unless it was made certain that they were not "common folk," in which case they had the doubtful honour (?) of an interview with an official of the permanent staff. Upon one occasion a visitor called just as a high-placed official entered the office. The stranger said that he wanted special information about Canada. Before he could say any more, and without turning his head to look at the inquirer, the official called to a messenger, "Take him over to the other office." He was brought to the writer's office with the curt introduction, "Wants information about Canada." The visitor, who was dressed in a plain tweed suit, was offered a chair. He handed the writer his card: "Sir Claude Macdonald, His Britannic Majesty's Ambassador to Japan." Sir Claude had just returned from that ever memorable heroic defence of the Embassy at Pekin on the occasion of the Boxer rising, and his name and fame were in every one's mouth. He briefly explained that he was

leaving for Tokio *via* Vancouver, and wanted a private car for the journey across Canada; that he had been to Cooks', and to the Canadian Pacific Railway, but could get no satisfaction. "From the High Commissioner's office," he laughingly added, "I have been referred to you." The mistake of the official in refusing an interview to "the farmer-like looking chap," as he afterwards humbly explained to Lord Strathcona, was only on a line with the usual procedure of the office. The following day the writer was able to show Sir Claude a cablegram from Sir Wilfrid Laurier conveying the assurance that a Government private car would be at his disposal on his arrival in Canada. When all the arrangements were completed I showed the cablegrams to Lord Strathcona, only to hear his severe comment: "You had no right to do this. Sir Claude Macdonald should have come to me. Courtesies of this kind belong to my office."

The experience that Lord Strathcona gained on the occasion of the coronation of King Edward proved more than useful when King George's turn came. All applications to the Lord Chamberlain for invitations to various functions were transmitted to the official representing the country or colony with which the applicant was connected. Therefore, any visitor from Canada had to run the gauntlet of revision by the High Commissioner. The disappointments were many. Those in favour had the inside track. Among those to whom Lord Strathcona had taken a strange dislike was the manager of the Bank of Montreal,

Threadneedle Street, now Sir Frederick Williams-Taylor, general manager at Montreal. Sir Frederick's name was most persistently struck out of every list for invitations to coronation functions by Lord Strathcona. Inquiries only elicted the reply: "The Lord Chamberlain says that his list is complete." "Commands" were out for a Garden Party at Windsor Castle. Sir Frederick waited impatiently for his. All his aristocratic neighbours were invited. He endeavoured to inquire the reason for the delay from the official secretary of the High Commissioner's office, telling the attendant at the 'phone his name and the reason why he wanted to speak to the official. He heard a voice, which he recognized, say: "Tell him I am engaged with Lord Strathcona just now." When the Bank of Montreal finally got into connection there was some plain talk. The result was, however, in Lord Strathcona's opinion, that the office had been "insulted," and Sir Frederick had no longer a chance of any invitation to coronation functions through the office of the High Commissioner for Canada. But Sir Frederick had very influential connections outside. His name was placed on another list for everything that was going, Windsor Castle, and, later on, his knighthood. But for having succeeded in getting behind the ordinary official channels he was never forgiven by the London representative of the Canadian Government.

Any interference with matters that Lord Strathcona regarded as pertaining to his official preserve was most

hotly resented. And any effort to get the ear of the Ottawa Government, except through his office, brought down the most disastrous consequences on the innocent offender. The numerous proposals for the erection of an official building in London, unless first submitted to him, were condemned unhesitatingly in official letters. An enthusiastic advocate of one of these Canadian building projects presented an admirable proposal to the Ministers at Ottawa. He was advised to return to London immediately, and explain it to Lord Strathcona before allowing anything to appear in the Press. But in an evil moment he took an Ottawa reporter into his confidence, the news was cabled to London, and when the promoter interviewed Lord Strathcona he was politely informed that as he had gone to Ottawa without consulting the High Commissioner's office, he (Lord Strathcona) could not now entertain it.

Lord Grey made arrangements with the London County Council for the famous island site on Kingsway without first consulting Lord Strathcona. The usual result followed. To smooth the way for the acceptance of one of these proposals for a Canadian building on a site that the Government was considering, a member of Sir Wilfrid Laurier's Cabinet suggested to the High Commissioner that, if it was a good move on the part of the bank with which he was connected to erect commodious offices in Threadneedle Street, why should not Canada do likewise? Lord Strathcona replied that the experience of the bank furnished the

strongest possible argument for not following that example: "because," he added, "since we moved into that building the officials have lost their heads. They are looking for nothing but social distinction and titles, and are neglecting their duties."

It is no longer a secret that "the important official communication" that Lord Strathcona insisted in writing, about which inspired paragraphs appeared in the Press a day or two before he passed away, was a long letter to Ottawa denouncing in somewhat uncompromising terms all the proposals that had been sent to Ottawa from time to time through unofficial channels about a Canadian building in London, and strongly advocating the adoption of the recommendation that he had submitted, which was that the site of the Westminster Hospital should be purchased by the Dominion Government, and that it was the only suitable place for the proposed Canadian building.

XXVI

Personal characteristics—Never lacking in courage—Reputations destroyed—Development of Canada—Solving the emigration problem—Strathcona threatened with arrest in Germany—Lord Salisbury's warning—Posing as the successful emigration worker—Hon. Clifford Sifton's work—Assistance of British Journalism—The Coronation Arch—Further Imperial honours.

AMID the most gloomy and discouraging periods in the history of the Pacific Railway, Lord Strathcona never doubted but that a brighter dawn would eventually appear. When all the other members of the syndicate were growing prematurely old under the severe strain of hope and fear, his courage never faltered. Had there been less of that course which can only be condemned, and more of that which was commendable in the internal management, there would have been less occasion for the temporary trouble that overtook the Company.

The enormous sums that were expended in corrupting the body politic did not by any means represent the actual cost of that policy. Those moneys only represented the direct cost. The indirect expense to the Company and syndicate was much larger. It was not that they had to meet certain conditions in the political life of the country, but they deliberately made the conditions themselves. They had gone into

the whole business with their eyes wide open. Once having entered on a course which cannot be condemned too strongly, the whole management of their business became as questionable as the recent condemnation of the management of the great insurance companies in the United States. It was the knowledge of the corrupt phases of the operations of the Company, in the great financial centres of the world, that caused doubt about the reliability of their securities. The financiers of the world had a clearer estimate of what was going on than the Canadian public.

The Canadian Pacific syndicate followed exactly the same course at Ottawa that Huntingdon and Ames did with the Southern Pacific Railway in the western States and at Washington. Great concessions of land and money subsidies were secured, and representatives in Congress became the recipients of railway favours. The day of reckoning arrived in the great republic when an indignant people became roused, and the long-delayed inquiry was instituted. As a result of the investigations, reputations of men high in public estimation tumbled like houses of cards. But not before a state of affairs was revealed that was looked upon as impossible even in the United States. Nothing but the large magnanimity of those whom patriotism and self-protection forced to be the opponents of the Canadian syndicate, has prevented the fate that overcame prominent statesmen in the United States, as well as De Lesseps in France, from engulfing a similar class which dominated the politics of the

Dominion for so many years. And the unreserved magnanimity that was shown to them has been taken as evidence of cowardice.

Lord Strathcona lived to see the enterprise which owes its charter to his political foresight increase beyond his most sanguine anticipations. The Company now owns sixteen thousand miles of railway in active operation; two great steamship lines traversing the Atlantic and Pacific Oceans; to say nothing about cable and telegraphic properties. The annual revenue of the Company exceeds $150,000,000 (£30,000,000), and upon the stock and bonds of the Company satisfactory dividends are promptly and regularly paid. The capital of the Company is announced as being $485,000,000 (£97,000,000). The records of the decade between 1897 and 1907 will be remembered as the great turning-point in the history of Canada. The imports and exports more than doubled—the public revenue almost trebled—the manufacturing industries expanded enormously—notwithstanding a largely increased expenditure surpluses aggregating $200,000,000 (£40,000,000) accumulated, and portions of the national debt falling due were paid out of the revenue. No country in modern times has had such a record of permanent development and prosperity.

Nothing but these extraordinary conditions enabled Canada to withstand the severe strain which was placed upon its financial life by the methods adopted by the Pacific Railway syndicate. The Dominion certainly could not stand further experience of this

character. The danger still exists that others may look towards the Dominion as the field for another attempt to emulate the actions of the Pacific Railway. Such a course could not but bring disaster in its train.

It is a singular fact that the permanent advance in the fortunes of the Pacific Railway became particularly evident shortly after the Liberal party assumed power at Ottawa, though to keep this party out of office hundreds of thousands of pounds were spent in corrupting the electorate by the syndicate. The enormous increase in the receipts of the Company is due entirely to the great wave of prosperity that has been sweeping over Canada for the last fifteen years. This was brought about by the tide of emigration from all parts of the world being successfully directed to the Dominion as the result of the policy instituted by Hon. Clifford Sifton, to whom must ever be given the honour for this significant turning-point in Canadian history.

Mr. Clifford Sifton was the representative of the great west in the Laurier Cabinet. He was Attorney-General in the Manitoba Government when Wilfrid Laurier offered him charge of the Department of the Interior. He came from the prairie provinces full of enthusiasm about the possibilities of that vast area between Winnipeg and the Rocky Mountains. For thirty years successive Ministers had endeavoured to solve the immigration problem at Ottawa, each one apparently leaving the question in worse shape than his predecessor. The High Commissioner's office had

been placed in charge of the emigration propaganda in Great Britain and Europe. The results to the Dominion were *nil.*

Canadians congratulated themselves when Sir Donald A. Smith became High Commissioner. It was thought that something would be done of a practical character in regard to emigration, but he too settled down to the ordinary official *status quo.* As the result of correspondence with Sir Donald Smith, Mr. Sifton proposed that a Canadian official should be sent to London to take charge of emigration work. Sir Donald in reply thought that a minor clerk at a small salary would answer the requirements. But the Minister decided that a much more responsible official was necessary. Before this could be accomplished, however, Sir Donald had been High Commissioner for more than two years.

In the meantime Sir Donald decided to do something. He was impressed with the idea that he should visit the Continent and see what could be done to assist emigration. At Hamburg he issued letters of invitation to fifty or sixty *attachés* of booking agents, stating that "Lord Strathcona, High Commissioner for Canada" would like to confer with them at his hotel on the question of emigration to Canada. An invitation from an English lord brought a fairly large attendance of a certain class. The High Commissioner addressed them, pointing out the advantages offered to emigrants by Canada, impressed on them the fact that a bonus was paid upon each emigrant to the

Dominion, and asked their cordial co-operation in this work. Fortunately Lord Strathcona did not prolong his stay in Germany beyond that day.

On his return to London he immediately wrote an extended report about his trip to the Continent in the interest of emigration, addressing a copy to the Prime Minister and also one officially to the Department of the Interior, giving a summary of his address "to a crowded meeting of booking agents." He proposed to show the Ottawa Government that, with such activity on his part, the occasion for sending over a responsible official to take charge of emigration was altogether unnecessary.

But, alas for this incursion into unfamiliar fields! Scarcely had this long report of the Hamburg meeting reached the mail-box, than Lord Strathcona received an urgent message from the Right Hon. Joseph Chamberlain, Secretary of State for the Colonies, saying that he wanted to see him at the earliest possible moment on a matter of grave importance in the Foreign Minister's Department. The Colonial Secretary informed Lord Strathcona that the Prime Minister, Lord Salisbury, had received an official visit from Count Hatzfeldt, the German Ambassador, who stated that the High Commissioner for Canada had, contrary to the German law, and also in violation of the police regulations of Prussia, addressed a meeting of booking agents in Hamburg, inciting them to emigration work. The Ambassador desired Lord Salisbury to advise Lord Strathcona that, under no circumstances whatever,

would it be advisable for him to visit any part of Germany, because the police at the frontier had instructions to arrest him without ceremony for his flagrant violation of the law. Lord Salisbury also advised Mr. Chamberlain that it would be well if Lord Strathcona could submit a statement proving that the German authorities were under a misconception as to the facts of the case.

The German authorities were quite astray in one particular. The "booking agents" of Hamburg had not responded to the invitation to confer with the English lord. If Lord Strathcona wanted to see them on business, they had decided that he might better call at their business offices. The distinguished company who favoured the Canadian High Commissioner with their presence were the street-runners or "tooters" connected with the competitive steamship companies. They had rushed to the Hamburger Hof merely to see a real live English lord.

The High Commissioner returned to his office after his interview with Mr. Joseph Chamberlain deeply crestfallen. For diplomatic reasons, and in order to preserve his standing with the Prime Minister and the Colonial Secretary, he desired to explain away the incident. But there were those letters on the way to Ottawa! Lord Strathcona, however, took the plunge by cabling to Ottawa an urgent request to regard his correspondence on his continental tour as "confidential." He then addressed an official letter to Lord Ampthill, who at that time was private secretary

to the Colonial Secretary, giving a markedly different account of his incidental meeting with the booking agents at Hamburg than that which he had sent to Ottawa a few days previously. He also expressed the hope that his denial of the charges sent to Berlin by the Hamburg police, that he had incited an emigration propaganda on the occasion of his recent visit to the Continent, would be accepted by the German authorities.

To all appearance official records of Lord Strathcona's connection with the matter at issue were out of the way. But punctilious officialism, even in Canada, dearly loves a report, more especially one signed by a lord. To allow such a communication to be anywhere else than on the principal files of the Department would be an unheard-of breach of etiquette. So the report about the visit to Germany on emigration duly reached the correspondence clerks.

Some years later the correspondence was produced to a Committee of the House of Commons, and the official inconsistencies between the report to Ottawa and the letter to Lord Ampthill became public property.

This visit to the Continent, carried out with a flourish of trumpets, and which had such humiliating consequences, was Lord Strathcona's first and last personal effort to direct an emigration movement to the Dominion of Canada. He had no more to do with the magnificent work that was done to rouse an interest throughout the emigrating world to the advantages offered by Canada than had the men who

aimlessly haunt the Embankment, parks, or squares of London. The official eulogies of Lord Strathcona published on this phase of his official work have not the slightest foundation in fact.

The great tide of emigration which has turned towards Canada during the last fourteen years is the direct result of the policy instituted by Hon. Clifford Sifton. He entered the Cabinet determined that the failures of thirty years should be overcome. He believed that the genius of Canadian statesmanship could find a solution for the problem, and to it he gave his undivided attention. He appointed Hon. James A. Smart Deputy-Minister, Mr. Frank Pedley Superintendent of Immigration, Mr. W. J. White Commissioner to the United States, and a Commissioner of Emigration to Great Britain and Europe. These officials were assured of the confidence of the Minister, were told that their recommendations would be accepted, and that all the money needed to insure success would be forthcoming. The officials in London connected with the emigration work were removed from the control of the High Commissioner's office, so as to allow the fullest freedom of action. In the work in this country the value of the assistance that was given, without an exception, by the British Press can never be over-estimated. Without this hearty and gratuitous co-operation on the part of British journalism no such magnificent results could ever have been obtained. For the first time in the history of Great Britain, under this propaganda, the number of

British emigrants to Canada far exceeded those going to the United States. To apportion any part of the credit of this marvellous work to Lord Strathcona is to delve into an atmosphere of fiction. In point of fact the success of Mr. Sifton's propaganda by officials outside the control of his office was a subject of constant jealousy to Lord Strathcona. He regarded their success as a reflection upon the High Commissioner's office, and he only became reconciled to the situation when Hon. Clifford Sifton had withdrawn from the Government and the successful officials had been removed to other fields of government work.

The impression must not be created that Lord Strathcona was uninterested in emigration work. On the contrary he was interested for the most obvious reasons; although when the writer discussed the matter with him for the first time in 1898, he was exceedingly dubious about the possibility of any great movement from this country being directed to Canada, instancing the comparative failure of the emigration work that had been carried on in Great Britain and the Continent under the supervision of his own office, and also by that of the Canadian Pacific Railway. These unsuccessful efforts, he feared, did not give a basis for much hope in the future, more especially as he was assured that every possible plan had been tried by the High Commissioner's office to awaken an interest in Canada on this side of the Atlantic. This, in fact, was the generally accepted view everywhere. The late Mr. Moberly Bell, of

The Times, told the writer that he feared it was impossible to induce the British emigrant to go to Canada, or to interest the general public in the Dominion. But at the same time Mr. Bell freely offered the columns of *The Times* in any manner desired to assist in the official propaganda.

An unexpected opportunity was afforded Lord Strathcona in the summer of 1902 to be of signal service. Arrangements were then being made to decorate London on the occasion of His late Majesty's coronation. The writer, after consulting the High Commissioner, and with the consent of the Department at Ottawa, requested permission from the Westminster Council to erect a Canadian Arch in Whitehall. The assurance was given that it would be done on a scale suitable to the occasion, and on the recommendation of the Earl of Onslow, who was Chairman of the Council, the permission was granted. The announcement in the Press that Canada intended taking this step caused a sensation. Instructions, however, came by cable from Ottawa that only £600 would be authorized by the Department for this purpose. In reply to pressing cables, the Department finally consented to an expenditure not exceeding £1200.

At this point it may be mentioned that Lord Strathcona, while *de facto* an official of the Dominion Government and occupying a position to which there was a large salary attached, had persistently declined to accept any salary. This undoubtedly allowed him liberty of action that could not be taken

with impunity by ordinary officials. On learning of the latest instructions from Ottawa about the proposed arch he inquired what the expenditure was likely to be. When told that it would probably reach £6000, if the plans then being considered were adopted, he said: "Go on with the work, I will see you through, if the Government raises any objection. We cannot afford to stop now." However, when the Minister learned about the instructions that had been cabled by the Department, he unhesitatingly assumed all responsibility for the expenditure. From the beginning to the end Lord Strathcona took an intense interest in the progress of the work, and was quite pleased with having decided to over-ride departmental instructions for the time. The cost, as might be expected, exceeded the original estimates. Parliament not only cordially approved of the expenditure, but the Opposition, with unprecedented magnanimity, complimented the London management of the Emigration Department for taking advantage of the opportunity to make the resources of Canada known throughout the world.

It is probably not generally known that, except for the first day or two, none but foreigners were engaged in the construction and maintenance. English labourers refused to work either on Saturday afternoons or after regular hours, although offered double rates of wages for overtime. Consequently there was a hurried visit to the foreign settlements in the East End, and Belgians and French were given the profitable employment.

Several of the discharged British labourers came to the scene of activity and threatened to set fire to the structure. This alarmed the authorities to such an extent that special fire and police protection was considered necessary.

As the massive pile of timbers rose, Whitehall became a centre of attraction. Street decorations upon such a scale are unknown in this country, although they are not uncommon in Canada. When the late King visited the Dominion in 1860 he saw them in every place. London for the most part confines its extravagance in street decorations to the same old Venetian masts, enthusiastically trotting them out upon every conceivable occasion. The extravagance of Canada therefore created a record. The crimson roses alone that were purchased in Paris and Hamburg to decorate the lower part of the structure, and which only arrived rich in fragrance the night before the coronation, cost more than all the other public decorations on Whitehall. In point of publicity Canada received ample return for the expenditure. The arch was the great feature of the coronation decorations. Pictures appeared in tens of thousands of publications throughout the world. Hour after hour as many as one hundred and fifty at the same time pointed their kodaks at the structure. The issue of picture postal cards ran into tens of millions. Scores of excursions were run from all parts of England to London with the special attraction of seeing the Canadian Arch. Canada had reason to be satisfied.

But it came very near to being the occasion of a shocking accident. During the march down Whitehall on Dominion Day of the Canadian contingent that Sir Henry Pellatt brought to London, while Sir Wilfrid and Lady Laurier with a number of friends had taken places on the main balcony of the arch, two or three gentlemen in the lower part of the structure were suddenly attracted by a faint cracking of timber; and looking up saw with horror that the upper floor was giving way. They quickly rushed with spare timbers that fortunately were near, to support the slowly-sinking platform. The crowd was removed from above, having but a faint knowledge of the serious accident that had been so narrowly averted.

Upon the recommendation of the Governor-General, acting for the Prime Minister, Donald A. Smith was knighted in 1896. In the distribution of honours on the occasion of the Diamond Jubilee his name was submitted by Sir Wilfrid Laurier for a barony. This, however, was only a life peerage. In 1909 Sir John McNeil informed the writer that Lord Strathcona had been to see him several times in order to get his assistance in having his title arranged so that the reversion would pass to Hon. Mrs. Howard and her heirs. Sir John had mentioned the matter to the Queen, the Prime Minister and the Colonial Secretary, but it was clear that official regulations made it very difficult, if not impossible, to do anything without the concurrence of the authorities in Canada. I had several interviews with Sir John, and finally decided

to go to Ottawa, where I found the impression with the Government that Lord Strathcona wished the title to become extinct at his death. However, fortunately, I had Sir John's letters on the subject, and they left no room for doubt. The day following my discussion with Sir Richard Cartwright, he told me that the Premier had seen Lord Minto, the Governor-General, who had immediately communicated with the Colonial Office. Sir Richard was anxious that I should tell Lord Strathcona on my return to London what he, Sir Richard, had done. This I fully intended doing, but prefaced my intentions with congratulations on the change in the character of his title, full particulars of which had already been published. He replied, before I could say any more: "I do not know how these things are done. The Queen has been pressing this upon me for some time, but I did not feel justified in accepting until now." I was silenced, but enjoyed a good laugh with Sir John McNeil over it later. Shortly afterwards the announcement was made in the Press that Lord Strathcona had purchased an island on the west coast of Scotland from Sir John for £30,000.

XXVII

Election journey to Canada—Keeping the C. P. R. quiet—Still afraid of investigation—The standard of British politics—Danger to the State.

THE failure to investigate the well-known Pacific Railway methods in Canada emboldened that great corporation to continue its peculiar practices on more than one occasion. Four general elections have taken place since Sir Wilfrid Laurier's assumption of office—1900, 1904, 1908 and 1911. In connection with the first an unexpected development occurred. There was a house party at Glencoe, the writer being among the guests. The campaign in Canada was then in full swing. It was immediately after breakfast that morning telegrams were handed in. Lord Strathcona had the usual number. Calling me into the library he told me that he had to leave for Canada the following day, but he wanted the guests to continue their visit as if nothing had happened.'' He said that his presence in Canada was imperative, handing me a cable that had just been received. The information, which was not, however, from the Government, was that the Canadian Pacific officials in Montreal were preparing to oppose the Government with their old-time vigour. To prevent this he hurried off to Canada, taking up his

quarters in Montreal, where he stood guard over the officials of the Company until all fear of the threatened participation had passed. The course that he had been willing the original syndicate should take, he was averse in his later years to leave as a legacy to the great corporation that he had founded, or as a justification for continuing to interfere with the politics of the Dominion. Nevertheless, in 1904, the influence of the company was let loose against the Liberal Government, the principal reason given for this action being that Laurier favoured the construction of the Grand Trunk Pacific Railway. The annoyance of the Company at being unable to prevent a charter being granted to the Grand Trunk for a line to the Pacific coast, was made the occasion of a declaration by a very prominent Canadian Pacific official that he would prevent the Grand Trunk from getting money in London to build the road. Previous to this the Canadian Pacific influences had endeavoured to prevent the Mackenzie and Mann lines from finding money to carry on their railway construction. The Company which has grown out of the original syndicate has since acted as if it owns the country. Its schemes have been successful in Parliament for so many years that such a conclusion seems natural.

In the elections of 1911 all reserve was thrown to the winds, and the full army of 75,000 employees was marshalled against the Government. Such conduct on the part of any corporation in Germany, Austria or France, would result in the officials finding them-

selves in prison with little loss of time. It could not take place in Great Britain, nor could any candidate be found, even with a certainty of election, willing to accept support of that character. Yet the people of Canada pride themselves upon the idea that their Legislature is built on the model of the Mother of Parliaments!

The revelation at a recent session of the British House of Commons, that the directors of the London and North-western Railway had subscribed £200 to an election fund, was sufficiently startling to both sides of the House to cause the immediate stoppage of legislation then being enacted in the interest of the company, until an apology could be offered, and evidence adduced that the money had been returned to the company by the directors. There is no need to inquire as to what action the British Parliament would take, if evidence was available that a railway corporation had expended half a million pounds sterling, and turned the whole machinery of its organization into corrupting the political life of the country. It may be interesting to ask what kind of an uproar would there be in British politics if, in seeking an extension of the powers of the Chartered Company of South Africa from the British Parliament, Sir Leander Starr Jameson, the President of the Company, should present the wife of the Prime Minister with a necklace of jewels costing £40,000, loan the Chancellor £10,000 to £20,000, deposit to the credit of another Member of the Cabinet from £50,000 to £100,000

for his personal use, contribute £100,000 to the Liberal Whip for party purposes, and scatter the Chartered Company's shares among members on both sides of the House! And yet this is exactly what was done in the Dominion Parliament to advance the interests of the Canadian Pacific Railway. In regard to the participants, the receivers are "Honourable Gentlemen," and the contributors are "Empire-Builders." There is a healthier element now on both sides of the House, sick and tired of this sinister domination of the public life of the country. The little leaven will yet "leaven the whole lump." And, when that time comes, reputations, both of the living and the dead, will suffer.

No country can afford to have its public interests overshadowed by the active influence of a great corporation. This is particularly objectionable if such a corporation has developed under bounty drawn from the public exchequer. Corporations have a proper position in every country, but their place, as corporate bodies, is not at the ballot-box. The ballot is a personal possession, not corporate or collective in its character. It is the nation's "pearl of great price." The rich and poor must stand upon a perfect equality with the ballot and at the ballot-box. There is no liberty of action when a powerful corporation, either secretly or openly, attempts to dominate elections. Such corporate monstrosities must be throttled.

If the genius of statesmanship has not discovered a

way to enact legislation, punishing with the utmost severity all possible attempts to interfere with the liberty of the subject, the sooner it is done the better. If it is not done now, if will be done later, and then "vested interests" will suffer. The Dominion Legislature is a Parliament, possessing full Parliamentary powers. And with public opinion behind it, there is no influence to stand in its way. The solution of this problem has long since been settled in British politics, but it has yet to be solved in the most important colony of the Empire.

The Canadian people, calmly pursuing their peaceful avocations, were new to the conditions introduced into Dominion politics in the interest of the syndicate. Officials were imported from the United States, with an intimate knowledge of the methods employed in manipulating public men in railway interests in the west, and were placed in charge of the Canadian Pacific. Under their instructions, the most improved tactics were brought into play to complete the demoralization of Canadian public life, and at the same time to secure the control of the Parliamentary institutions of the country.

The general public had not time or opportunity, amid the struggles for home and family, to watch too closely the actions of those who so loudly claimed to be patriotic. Canadians as a class are actuated by high principles. This heritage has fallen to them from the noble bands of English, Scotch, Irish and French who emigrated to Canada in its earlier years,

and whose self-sacrificing toil laid the foundation of an honest race. The people had every reason to believe that the standards of honour and honesty that prevailed in the ordinary walks of life were finding expression in the administration of government. That the Parliament of the Dominion of Canada should be the medium of creating private wealth is as repugnant to them as it is to the electors of Great Britain. They believed that the British ideal existed in their own manner and form of government. No other conception of public life prevails in the minds of the masses of the Canadian people. The lives of Brown, Mackenzie, Holton and Dorion more properly represent the characteristics of this people than the record of those, living or dead, who have caused other considerations to prevail in high places.

XXVIII

Distribution of wealth—The Strathcona Horse—Consternation at a banquet—Visits from the troopers' families—A share in the good times—Subscription to British political funds—The All-Red Route—The ruling passion—Fear of possible successor—Sir Frederick Borden and Sir Gilbert Parker—A pathetic scene—Conclusion there is no hurry to resign—Lady Strathcona.

THE romance of Lord Strathcona's life between the western prairies and the House of Lords would be incomplete without a reference to gifts that will cause his name to be remembered. The Queen Victoria Jubilee Hospital at Montreal, in co-operation with another Pacific syndicate magnate, Lord Mount Stephen, was erected at an enormous cost, and in its appointments is one of the best institutions on the continent of America. The King's Hospital Fund, London, in which he was also joined by the nobleman referred to, established a record in subscriptions of that character; McGill University, Montreal, in the equipment of which Lord Strathcona and Sir William Macdonald expended several millions; the Strathcona Horse, a contribution to the Empire during the South African War, has no precedent in the history of any country.

A propos of the Strathcona Horse, it will be remembered that on the return of the force from South Africa, the officers and men were much fêted in London. The amusements provided for the non-

commissioned officers and men were on a most extensive scale. The officers enjoyed receptions and banquets galore. So many compliments were dinned into their ears by the beauty and fashion of the day that it is not surprising, if, during the late hours at well-laid-out banquets where everything of a gastronomic character that the heart could desire was generously provided, the compliments assumed enlarged proportions, and a faint idea took possession of some of the officers' minds that the Strathcona Horse had really turned the tide of victory in South Africa. As a final farewell to the gallant Canadian force, Lord Strathcona gave a banquet to the officers at the Hotel Cecil. The guests were among the most notable in the Empire. Heads of the Army and Navy, Field-Marshals and Admirals, Foreign and Colonial officials, in a goodly company, gathered round the festive board. If anything had been left unsaid about the wonderful fighting character of the force, it was amply compensated for on this occasion. There was no longer any doubt about the marvellous achievements of the Strathcona House. Queen Mary would never have lost Calais, Bonaparte might have won Waterloo, and Napoleon would have saved his Empire at Sedan, if the Strathcona Horse had been with the defeated of those days. Lord Strathcona proposed the "Health of the officers of the Strathcona Horse," the title of which he said the guests knew he was not responsible for. He expressed his personal appreciation of their bravery, and of their anxiety to help the Empire in the hour of trouble. After the toast had been properly

honoured, one of the officers rose to reply. With flashing eyes and in a voice indicating intense earnestness, he assured the gathering that he was not a public speaker, but he was a fighter. (Loud applause.) Raising his glass "To the Strathcona Horse," he said: "We are the Boys" (loud applause). "We can lick anything in sight" (applause and laughter). "One of us is worth any five Frenchmen" (consternation), "and we can lick h— out of the Germans." A look of horror appeared on every face. Privy Councillors half rose from their seats. Two prominent guests immediately endeavoured to get the enthusiastic fighter to resume his. But his appetite had been sharpened for the blood of a foreigner. With great difficulty, and amid a rattle of dishes to drown any further references of a similar character, the brave soldier was pushed towards the exit, repeating over and over again, "We can lick," etc., etc. The representatives of diplomacy were horrified. A feast which promised so much that was pleasant had suddenly turned to ashes. Word was passed down the table that the incident must be regarded as never having taken place. But the ghost of international complications haunted the banqueting-hall for the rest of the evening. As the company dispersed a very prominent diplomat was heard to say: "D—— the Strathcona Horse!"

There was another phase of the Strathcona Horse that gave Lord Strathcona not a little anxiety, and which, of course, could not have been foreseen. In anticipation of the return of their husbands, the wives of three or four of the troopers, young and

bonny, came to London to meet the idols of the nation. The Canadian Press had enlarged on the gratitude of the Empire to the force, and outlined a programme that was being prepared for the troopers on their return from the scene of active operations. Why should not the wives have a share of the good things that were going? Had they not suffered also? Some of these anxious spouses anticipated their lords' return by many months. They could not do less than visit the office of the great man whose liberality had provided the means for their husbands to seek glory in South Africa, and it was from him, also, that they were likely to get the most reliable information about the return of the troops. The officials at the High Commissioner's office were unusually courteous and attentive, and they were also very solicitous that the ladies should not interview Lord Strathcona. But they succeeded in passing the official barriers and introduced themselves. The natural inquiries as to how they were getting on without their husbands opened the floodgates, and more information was forthcoming than was wanted. The bread-winners were away fighting to save the Empire. They were having a hard time in looking after themselves. The appeal was irresistible—proper provision was immediately made on a most liberal scale. One or two of these anxious wives learned that their benefactor kept late office hours, and they found fewer officials obstructing their entrance than during the day. So they chose the evenings for their visits to Victoria Street. Visits of that kind were capable of serious misapprehension,

unjust misconstruction from every possible standpoint, but that possibility never occurred to the sturdy Canadian matrons. One evening when Lady Strathcona had come down from Grosvenor Square with the object of taking Lord Strathcona home at a more reasonable hour than he was accustomed to leave his office, one of these evening visitors entered. She informed the official in the outer office that she must see Lord Strathcona. The official explained that Lady Strathcona was with him, and, also, he was very busy. But if Lady Strathcona was there it was all the greater incentive, as she was very anxious to meet Lady Strathcona as well. The official, however, was obdurate. The best he could do was to take her card into his Lordship. The visitor's card was therefore laid on Lord Strathcona's desk. After a moment's hesitation Lord Strathcona said: "Tell *him* that I cannot possibly see *him* to-night. Come to-morrow morning." But it was no use. The official returned with the message, "He says he really must see your Lordship, and he will wait in the library at your convenience." Evening visitors, after this experience, were barred for a long time at 17 Victoria Street, but Lord Strathcona gave instructions that there must be no difficulties raised by the officials to prevent these people from seeing him during the daytime.

Lord Strathcona experienced not a little uneasiness at the persistent efforts of several members of the British House of Commons in a certain direction, during the early session of Sir Henry Campbell-Bannerman's administration, to trace a persistent rumour to

the effect that the High Commissioner for Canada had contributed £150,000 to the funds of a political organization that was then carrying on a very costly and extensive propaganda throughout Great Britain. For three or four weeks repeated notices of inquiry to the Government were given to the officials of the House on the subject, but these never appeared on the official records. All kinds of objections were raised by those charged with responsibility about the form and procedure in such cases. Although it was evident to the inquirers who wanted to make the matter public that their intentions were going to be blocked, they led the officers of the House a lively dance, by the various forms in which the subject was presented from time to time. It was believed by those high in authority that it was not in the public interest that Lord Strathcona's practical sympathy with this question, in view of his official position, should be generally known. The fear of having his association with a political policy that was opposed by the Government to which he was accredited announced to the public, to say nothing about his oft-repeated assurance to friends that he took no interest in British party politics, disturbed Lord Strathcona's equanimity sadly. It was obviously a case where it was advisable that the right hand should not know what the left was doing.

One other incident of a public character in connection with Lord Strathcona's later life stands out as worthy of note. During the session of the Colonial Conference in 1907 there was much unofficial talk about a line of steamships connecting direct with

railways through British possessions to the Antipodes, familiarly known as the All-Red Route. The idea had taken a good hold of the public mind, regardless of the vast steamship interests plying between Australia and Europe.

At any rate Sir Wilfrid Laurier introduced a resolution to the Colonial Conference recommending that imperial and colonial assistance be given to such a project. He announced during the course of his speech that he had discussed the question with Lord Strathcona, who was willing, on the terms proposed, to throw the influence of his great wealth into the scale and make the All-Red Route a success. The minimum terms suggested were on the basis of a subsidy from the governments of Great Britain, Canada, New Zealand and Australia of $5,000,000 (£1,000,000) annually, for twenty years, totalling $100,000,000 (£20,000,000), with which to start. With Lord Strathcona's experience of issuing railway bonds to the public, and paid-up ordinary stock to himself, the only cost being the printing account, this proposal certainly opened up magnificent possibilities. Others did not see them at the moment, but he took in the situation at a glance. The project was hanging fire, the early imperialistic enthusiasm having subsided about the time that a great newspaper amalgamation or shuffle was on the cards in London. Money was wanted to carry the rearrangement of the newspaper ownership through. Lord Strathcona was consulted, and he offered to subscribe from £150,000 to £300,000, provided the newspapers concerned in

the deal should take special interest in advocating the All-Red Route. However, the idea of the so-called Imperial Route, and the amalgamation of the newspaper interests in question died a natural death.

In connection with the oft-repeated rumours of Lord Strathcona's intended resignation, which never had any foundation, he was particularly disturbed at the suggested appointment of Sir Frederick Borden, or Sir Gilbert Parker, as his successor. He would have left nothing undone to prevent either of these notable gentlemen from being High Commissioner. The truth is that he had no intention of resigning, but the name of a probable successor seemed to indicate that his resignation was desirable. In regard to Sir Frederick, information was given by an official in the High Commissioner's office which formed the foundation of an article in a leading periodical in London, which, if based on fact, would have rendered the appointment impossible. Sir Frederick promptly instituted proceedings for libel against the writer and the publishers. A full and unqualified apology was given to Sir Frederick, and the charges were acknowledged to be without foundation, and a substantial sum was paid into court in mitigation of damages. Respecting Sir Gilbert Parker, Lord Strathcona asked me if I had heard about Sir Gilbert's alleged aspirations to be High Commissioner. As I was well aware of the conversations that had taken place at Ottawa, I ventured the remark that I thought Sir Gilbert Parker could do Canada great service in many ways as High Commissioner, if he (Lord Strathcona) was

determined to resign. "Utterly useless, utterly useless! He would only use the office to get into the House of Lords. That is all he wants it for," was his reply. It was evident that the hour had not then come for his withdrawal. Leading politicians on both sides of the House would gladly have heard of his resignation any time within the last six or seven years of his life. In fact it was confidently looked for. Both sides knew that any suggestion from one would mean an open purse for election purposes at the disposal of the other. Neither party wanted him in Canada, each being fearful of his possible support of the other.

Finally, in the early months of 1911, he announced that the Dominion Day dinner would be the last occasion at which he would appear in public as High Commissioner for Canada. He requested Sir Wilfrid Laurier to make the official announcement, on the evening of the gathering, that he desired to be relieved from the cares of office. The occasion when Lord Strathcona rose to address the company was exceedingly pathetic. The frail figure with snow-white hair, the shoulders drooping with the burden of years far beyond the allotted span, the voice faint and trembling, uttering farewell, sent a thrill of overpowering emotion through the room. It was the passing away of a great character. If wealth, honours and success meant everything, he had nothing left to desire. But he had already grown tired. As the crowd withdrew from the banqueting-hall there was a subdued

feeling of sympathy and regret. For the moment one wished that history could be rewritten, or blotted out!

The resignation was to be delivered to Sir Wilfrid at an early date. The Canadian Prime Minister offered the post to Sir Frederick Borden, one of his most faithful, as well as capable colleagues, who had been Minister of Militia for many years. At Euston Station, on the morning of Sir Wilfrid's departure for Canada, he said to Lord Strathcona in his usual urbane manner: "Allow me to introduce your successor, Lord Strathcona," pointing to Sir Frederick. "I hope you will enjoy life in London, Sir Frederick; it is a pleasant place to live in," replied the High Commissioner. Farewell courtesies were exchanged and the train was off.

Lord Strathcona returned to his office. A chance visitor found him in a deep study. He said that he had just been formally introduced to his successor by Sir Wilfrid, and it seemed like breaking all associations with the atmosphere in which he had lived for forty years. Three or four weeks afterwards a cable despatch appeared from Ottawa in the London Press that Sir Frederick had not yet been appointed High Commissioner because Lord Strathcona's official resignation had not been received by the Premier. This was shown the same day to Lord Strathcona. His reply was: "There is no hurry, there is no hurry, is there?" The resignation was never sent. The same day that the news was confirmed that Sir Wilfrid's Government was going out, he took passage to Ottawa,

and on arrival naturally paid his respects to the incoming Premier.

Few men had more personal charm than Lord Strathcona. In his relations with the public and as a host nothing could exceed his grace and courtesy. He might have belonged to the ancient *régime*. The official position of his later years threw him into association with lifelong opponents, but to the most extreme of these he never lacked politeness and friendliness. Whatever his feelings might be, and he was only human, his mastery over himself was complete. This was a strong characteristic. Nothing could disturb his equanimity. Many who affect this manner of life succumb to nervous exhaustion by suppression of the natural emotions. Lord Strathcona's lengthened years proves his heritage. No one will say that he carried his heart on his sleeve—few men do. Almost everyone has some secret that the world has no right to know. His fine natural manner gave all the impression that he was as free and open as the sun.

> "'Let us be open as the day,'
> Quoth he who doth the deeper hide."

Certainly there was great natural kindness in his character,—his splendid gifts to universities and hospitals prove this. No one could so support institutions for the intellectual and physical betterment of his fellow-men without deep human sympathies. For friends, too, he would do anything, and strangers in need rarely appealed to him in vain. He gave not grudgingly, but bestowed generously. With oppo-

nents, or those who crossed his will, his method was to try first to win them over without any of the appearance of the mailed fist. Courtesy and gold were pressed into service to make rough places smooth and overcome opposition. But if the subjects of his consideration remained obdurate, then he crushed without delay, taking pains, however, that Strathcona's hand was never seen in the matter. There were always others willing to accept the responsibility. He developed his power in this direction into a science. He never allowed himself to show resentment. So far as possible he avoided arousing thoughts of reprisals in the hearts of his opponents. However the end might justify the means, the reason for the means was not in evidence—his hand was never visible. In fact, he more often than not tempered the wind to the shorn lamb, with an appearance of personal sympathy.

Lord Strathcona had great qualities—his foresight and his perseverance amounted to genius. He could have succeeded in any walk of life. He had some bent towards religion, and if circumstances had led him in that direction, in the opinion of the writer, he might have been a great power, leaving a name not less venerated than Wesley or Booth. He might, too, have been a great statesman, history giving him a place with Clive and Rhodes. The opportunity was there for one who had the diviner dreams and larger loves of the altruist for his country. He had the foresight and the splendid daring of genius. But he chose personal power and wealth for Donald A. Smith. That opportunity, also, was there in a large

degree only possible in the western United States and Canada forty years ago. He took the chance Fortune offered him, played for enormous stakes with the weapons that the circumstances of the time permitted him to forge. And he won. He deserved to win. He gained enormous fortune, immense power, high honours for himself—exceeding in all these particulars any romantic dreams that he might have indulged in. But just in the degree that Lord Strathcona succeeded for himself, it is a question for history to finally decide, whether he did not fail in the larger test—that of true and noble patriotism.

The story of his life is written upon the public records of the country, so that he who runs may read.

Those who were favoured with Lady Strathcona's friendship and confidence came to know a candid and kindly nature. Her perfect frankness was her charm. In the old days in Labrador, when the Indians would gather at the post apparently determined to make a *quasi* permanent stay, diplomatic suggestions from the head of the house that it was time to go had no effect whatever. She, however, took a hand in the dismissal, treating them like the children of Nature that they were, and, as the writer heard her tell the story of her experiences in this particular, she said: "They moved quickly for me, when they would not budge for Donald A."

In London Lady Strathcona was so overshadowed by the official and personal prominence of her husband, that many who only casually knew her as the social head of the Canadian circle failed to appreciate her

diffident and unassuming womanliness. Honesty and candour were ever present in her intercourse with people, but never unkindness. Entering, as Lady Strathcona did, the highest social circles of the Empire when the shadows of life had long lengthened, she never lost herself—there always remained a sweet personality. Those who were admitted to that intimacy will always have the pleasantest recollections of her charm, her gentle kindness, and her sympathy.

If sometimes she wished for more of the quietness of family life, and less incessant social demands—the part of life in which Lord Strathcona revelled, it is not a matter of surprise.

During Lord Strathcona's lease of Knebworth, nothing gave him greater pleasure than to invite friends there for the week-end. Upon one occasion he left word at Grosvenor Square, when he was leaving for the day, that he had invited Sir Charles and Lady Tupper to go to Knebworth with them, and that Sir Charles was to send a message whether he could go or not. Just at the moment that the telephone rang Lady Strathcona happened to be in the hall. The butler, receiving a message, turned to Lady Strathcona, saying, "It is Sir Charles Tupper, your Ladyship. He says that he and Lady Tupper will be glad to go to Knebworth this afternoon." "Oh, bother the Tuppers," said Lady Strathcona, "I don't want them at Knebworth this week." The butler, knowing Lord Strathcona's wishes, did just what any well-trained butler would have done under the circumstances, and replied to Sir Charles with studied

decorum, "Lady Strathcona is delighted to hear you are going, and will meet you at King's Cross Station at three o'clock." The last shot from Lady Strathcona before the 'phone was hung up was, "You have no right to say that."

However Sir Charles and Lady Tupper were at the station in time to meet the other guests and take the train for Knebworth. Sir Charles was very quiet. He was far from forgetting what he had heard at the other end of the 'phone, and wondered how he could even up with the little woman with the candid tongue.

During dinner Sir Charles turned the conversation to the general convenience of the modern telephone. He was sitting a little distance from Lady Strathcona. Suddenly addressing her he said, "But you know, Lady Strathcona, telephones are very dangerous things to have around sometimes." "Are they indeed, Sir Charles? Do tell me how, because I am very near ours quite often." The company was all attention as Sir Charles leaned over, and with a kindly smile said, "Yes, very dangerous, Lady Strathcona, because I heard every word you said to-day when I 'phoned to Grosvenor Square." Quick as a flash the reply came, "Well, Sir Charles, I meant every word of it." Of course the company insisted upon hearing the story, which was told by Lady Strathcona amid roars of laughter, in which Sir Charles joined most heartily. In conversation after the ladies had retired from the dining-room, Sir Charles said good-humouredly, "Lady Strathcona is too sharp for me, but I do enjoy her candour."

XXIX

Lord Strathcona's Will—Cancellation of Canadian loans—Securing friends in high places—Sir George E. Foster—Sir Richard Cartwright ruined by rival company—The great Samson shorn of his strength—Bleeding the Canadian public—Comparison with British procedure—Winnipeg—An unforgiven offence—The unaccepted atonement.

UNDER Lord Strathcona's Will, which was probated in New York, he left his Scottish estates and half a million of money to the heirs succeeding to the title. Subject to a number of legacies, Lord Strathcona bequeathed the residue of his estate to his daughter, now Lady Strathcona. Among the legacies are the following :—

	£
St. John's College, Cambridge (in addition to £10,000 given during his lifetime) . .	10,000
Royal Victoria College, Montreal (under deduction of any payments made during his lifetime, and in addition to the College buildings and site provided by him at a cost of about £80,000) . . .	200,000
Royal Victoria Hospital, Montreal . . .	100,000
Yale University, Connecticut, U.S.A. . .	100,000
University of Aberdeen for Chair of Agriculture	5,000
Leanchoil Cottage Hospital, Forres . . .	10,000

Queen Alexandra Extension Home and Hospital for Incurables, Streatham . . . £2,000
National Hospital for Paralysed and Epileptics 2,000
London University College Hospital . . 2,000
Middlesex Hospital 2,000
Church of Scotland, Aged and Infirm Ministers' Fund 10,000
Queen's University, Kingston, Canada, Extension Fund 20,000
Principal, Church of Canada Presbyterian College, Montreal 12,000

"£1,000 to my godson, son of *Mrs. Arthur Jameson*, of Dorcourt, Red Hill.

"£1,000 to my godson, *Baden-Powell.*

"£1,000 to *Rupert Anson*, son of Lord Lichfield.

"£1,000 to *Neil McGrigor*, younger son of Sir James D. McGrigor, baronet.

"£1,000 to my god-daughter, the *daughter of Sir Peter Stewart Bam.*

"£1,000 to my trusted friend, *William Garson*, Writer to the Signet, Edinburgh.

"£1,000 to *J. G. Colmer*, who has given me valuable assistance for many years.

"£1,000 to *James Garson*, Writer to the Signet, Edinburgh.

"£1,000 to *W. L. Griffith*, at present secretary to the High Commissioner for Canada.

"£1,000 to *Principal Adam Smith*, of Aberdeen University, personally.

" 1,000 guineas to *Sir Thomas Barlow*, in addition to the legacy of a similar amount left to him in my Will.

" 500 guineas to *Dr. Pasteur*, in addition to the legacy of similar amount left to him in my Will.

" An annuity of £100 during her lifetime to *Miss Sydney Stuart*.

" An annuity of £120 jointly during their lives and to the survivor to the *two daughters of son of my Uncle, Patrick Stuart*, at one time Town Major of Belfast.

" An annuity of £150 to *Margaret McLennan*, for many years my late wife's maid and personal help, also a useful attendant of myself.

" A legacy of £1,000 to *Principal William Peterson*, of McGill College, personally.

" A legacy of £300 to *Robert Garson*, to assist him to complete his studies.

" A legacy of £250 to *Christy E. Mackay*, Montreal.

" A legacy of £250 to *Rosa Pitts*, at one time trained nurse to my late wife.

" I specially request my daughter and other trustees to contribute generally as they know I would do for the benefit of all personal servants, including *Abraham May*, my assistant secretary, and all others who may be in my service at my death, according to length and value of their services.

" Retired Chief Factor, *Roderick MacFarlane*, and other retired factors of the Hudson's Bay Company who are now receiving a reduced allowance, each during his lifetime, but in different proportions one

from the other, to be given out of my estate not exceeding one-half of what each gets from the Company, the allowance in each case ceasing on the death of the individual and the highest proportion allowed to any one individual not to exceed £50 annually.

LEGACY AND ESTATE TO HIS STEPSON

"In trust for *James Hardisty Smith*, named in my Will, and his children, a sum of £5,000, in addition to the sum of £25,000, mentioned in the fifth article of my Will, and subject to the same conditions in all respects."

BEQUEST TO NIECES

The trustees are directed to invest £20,000 and pay the income thereof to "my niece, *Margaret M. Smith*, of Stuart Lodge, Polworth Terrace, Edinburgh, daughter of my late brother, John Stuart Smith, M.D.," and upon her death to her issue, "whom failing, to her sister Mrs. *Eliza Jane Grant*, of Thornhill, Forres, widow of the late Robert D. Grant, whom failing, to the children of the said Eliza Jane Grant, and the issue of any children who may have predeceased, such taking their parents' share, and the said legacy shall vest when the same becomes payable."

Also £20,000 to be invested for the said *Eliza Jane Grant*, and upon her death to her issue.

REMISSION OF DEBTS

"I remit and cancel the debts owing to me by (1) the estate of the late *Right Hon. Richard Cartwright*, (2) the estate of the late *Lieut.-Colonel William White*,

one time Deputy Postmaster-General of Canada, (3) the *Hon. George E. Foster.*

TO MR. BURNS FOR THE LEPERS

"Further, I give and bequeath to the *Right Hon. John Burns* the sum of £5,000 for the purpose of a home and maintenance for a number of some fifty lepers in the United Kingdom, but none of this sum to be expended on or for other lepers who may come into the United Kingdom.

TO LADY STRATHCONA AND HER CHILDREN

"I direct my trustees to pay, convey and transfer to *Margaret Charlotte Howard*, in the event of her surviving me, the whole residue of my means and estate, heritable and movable, real and personal, wherever situated, and in the event of the said Margaret Charlotte Howard predeceasing me, I direct my trustees to hold the said residue until the youngest of her children, who shall survive me, attain the age of twenty-one."

Lord Strathcona's Will was also rendered for probate at Somerset House, May 26th, 1914. The value of personal estate in the United Kingdom, £418,500; personal estate abroad, £4,232,000; total value of personal estate, £4,651,000. The estate duty payable was £837,000.

The principal property consisted of: Great Northern Railway in the United States, $6,606,000; Northern Pacific Railway of the United States, $3,380,000;

Canadian Pacific Railway, $4,112,000; Bank of Montreal, $645,000; Laurentine Company of Quebec, $466,000; Dominion Steel Corporation, $400,000; Hudson's Bay Company, £248,000; Anglo-Persian Company, £56,000; Baring Brothers, £44,000.

The statement was made in the House of Commons that Lord Strathcona held £1,000,000 Ordinary Stock in the Anglo-Persian Oil Company.[1] It was well known that he held various other stocks of considerable value in numerous companies. As no record of them appears in the probate statement, colour is lent to the rumour that was going the rounds a few years ago, that a large part of his estate had been distributed long before his death, when his wealth was placed at a much higher figure than his actual possessions at the time of his death.

A clause in Lord Strathcona's Will that aroused mingled feeling of surprise and dismay in Canada was the public cancellation of alleged indebtedness to him by the late Sir Richard Cartwright and Sir George Foster, formerly Ministers of Finance in Liberal and Tory Governments. The latter is now Minister of Trade and Commerce, as the former was in the recent Government. Sir George Foster represents Canada on the Imperial Trade Commission. Why the public should have been taken into confidence in these transactions in this manner, when there were others of a similar character, must ever remain a mystery. There were certainly no public reasons why these statesmen should receive exceptional treatment in this

[1] Appendix, 13.

respect at his hands. The clause in the Will was evidently inserted after the death of Sir Richard.

Sir George Foster, like many Colonials has had a varied career. He owes his prominence in public life less to personal popularity than to natural ability. Next to Sir Charles Tupper he stood head and shoulders over all the others of his party as a fine public speaker: impressive, brilliant, incisive and extraordinarily critical of political opponents. Formerly Professor of Literature in a New Brunswick college, he soon learned that a man hath no honour in his own country. He went west to Ontario where a Prohibition campaign was in full swing, being received as the guest of the President of the Temperance League, Mr. D. B. Chisholm, a prominent Liberal and wealthy citizen of Hamilton. His host gladly engaged him as a speaker at $10 (£2) per meeting. He soon established a reputation for platform oratory, with the result that he successively entered the political field in his native province as an independent temperance candidate for the House of Commons in 1882.

Sir John Macdonald, always on the look-out for new talent, in 1885 offered Mr. Foster a seat in the Cabinet, promoting him in 1888 to the responsible position of Finance Minister. He held this office during the successive changes in the Cabinet under Sir John Abbott, Sir John Thompson, and Sir Mackenzie Bowell. In the session of 1896 he joined the cabal within the Cabinet against the Premier. He was one of the six Ministers who tendered their resignations,

and sat on the cross benches of the House of Commons for several weeks, during which time Government business came to a standstill.

He was deeply indebted to the First Minister, Sir Mackenzie Bowell, as the latter had used his kind offices with Lady Aberdeen in a matter of deep personal concern to Sir George Foster, but gratitude and loyalty were never Sir George's strong points. The determination to deprive Sir Mackenzie of the leadership of the party on the occasion of the resignation of half his Cabinet, is strong evidence of the decadence of the party at that particular period. And the bitterness that existed between the factions may be better understood from the statement, that when the returns were published in the evening of the general election of 1896, announcing the defeat of the Government of which Sir George Foster was a member, the Bowell family joined in the public jubilation of the Liberals.

Sir George Foster came to London to take part in the Tariff Reform propaganda in 1904, with a chance of permanently remaining in England. Although on the question of Protection he has probably no equal on the platform, his presentation of the case did not meet with general favour. The Tariff Reform Committee vainly offered London newspapers sixpence per line to print a *résumé* of his speeches. The whirligig of time brought its revenge, however, in 1912, on his return to London as a member of Sir R. L. Borden's Cabinet, when he became the

honoured guest of the Constitutional Club, and had his every utterance chronicled with great *éclat*. Sir George Foster's financial position was not flourishing during the long period when his party was out of office. It is unfortunate that the personal rancour introduced into Canadian politics in the last thirty years has often followed faithful public services into private life, and not infrequently crippled individual earning-capacity. Poverty is no crime, but extremely inconvenient; then wealth in the hands of other parties may be a cause of offence. It is as hard to kick against wealth as it was for Saul to kick against the pricks. Borrowing money from Lord Strathcona was, perhaps, natural enough. Lord Strathcona could afford it, and was willing to lend. If the debt had not been cancelled in the Will, a discriminating public need not have been called upon to take an interest in the matter.

It is a strange coincidence in regard to these transactions that Sir Richard Cartwright and Sir George Foster were both ex-Finance Ministers, and during the years they were in opposition, that particular portfolio should have been ear-marked for them both, against the time when fortune should favour their respective parties. The intrigue to keep Cartwright out of office was because it was feared his official policy would be on a line with his public declarations. But there was no wire-pulling necessary to prevent Foster being Finance Minister when Sir R. L. Borden formed his Government. It had recently

been proved before a Royal Commission that Sir George Foster had negotiated for a secret commission to himself, while manager of the Union Trust Company, in a large financial deal. The editor of the Toronto *Globe* repeated the charge in a very offensive manner, and Sir George Foster entered an action for libel, but lost the case. Sir George's excessive humiliation was all that his most bitter opponents could desire. But he received many expressions of sympathy from prominent Liberals, as no public man worthy of the name could rejoice in any stigma being attached to one who had been prominently in the service of the country. Foster's mistake, which may well be called merely an error of judgment, cost him the portfolio of Finance. Important financial negotiations were pending, and therefore, another was elected for the post who was *sans peur et sans reproche*.

The other beneficiary under the Will was Sir Richard Cartwright, once the bulwark of the Liberal party, respected by friend and foe for his dauntless courage and unflinching integrity. From none had come more impassioned denunciations of those in public life who accepted favours from, or placed themselves under the influence of, the Pacific Railway magnates. For many years he was most bitterly hated by the Tory party. He was blamed for the strong language that he used against the evils of the time. His justification was his desire to protect public interests. In his fighting years he was the leader of the Radical and anti-syndicate Liberals. All young Liberalism

had been brought up at the feet of this Gamaliel. Because it would probably ruin Cartwright's holdings in another company, Tory Members were canvassed to vote for certain legislation incorporating a subsidiary company in the interest of the syndicate. Dating from the formation of that company Sir Richard was crippled financially. Opportunities had not been wanting in his public life to secure wealth, but he was unimpeachable.

Shortly after the formation of the Laurier Government in 1896, to the surprise of his friends, Cartwright became very sympathetic to the Pacific Railway demands. Lord Strathcona was well aware of Cartwright's financial difficulties, and he had transferred to him a large number of shares, representing a considerable sum of money, in a company that Cartwright was slightly interested in. The correspondence gives evidence of Strathcona having heard Cartwright say in the presence of friends, that he wished he had a larger holding in a certain company. When Strathcona returned to London he sent these shares to Cartwright, telling him at the same time that he could pay for them at his convenience. This was apparently done without any prearrangement. It was, therefore, a strictly confidential transaction, as was also Mr. Foster's, and probably for that reason all the more objectionable from a public standpoint. Money as a direct bribe could not have bought either Sir Richard Cartwright or Mr. Foster. But Sir Richard's necessity was Lord Strathcona's opportunity.

No one could have a stronger sense of gratitude than a high-souled man like Cartwright. This fine phase of his character now proved his weakness. In Strathcona's hands he became as clay to the potter. From this time he was dominated by the man who had come to his rescue in the hour of his need. The Will revealed in this unmistakable manner how deeply the canker had eaten into the body politic, when even the great Samson of Canadian Liberalism was shorn of his power.

The Department of Trade and Commerce is specially responsible for the Government policy respecting steamship services. The Canadian Pacific has enormous dealings with this branch of the public service. There is no denying the fact that since these loans were made the annual subsidy to the syndicate Pacific Ocean service has been largely increased; the Atlantic service has been treated with even greater generosity; regulations have brought into force that the preferential tariff of thirty-three per cent. upon British goods shall only be allowed on steamships sailing direct to Canadian ports; and Atlantic mails, unless specially endorsed, are sent by Canadian steamship lines. The value of these concessions to the Canadian Pacific Railway is simply enormous.

How completely Lord Strathcona dominated the department as soon as he had Sir Richard Cartwright under compliment, was further illustrated in another phase of departmental policy. In 1904 Sir Richard gave the writer instructions to arrange for commodious

offices in London for his department, with a view to encouraging British trade on much the same lines as Clifford Sifton was doing with emigration. It was intended to appoint an official who would not be connected with the office of the High Commissioner; but Lord Strathcona cabled his objections to a policy whereby any official of that department should be free from responsibility to his office. Negotiations for offices were held up. Sir Richard tried to overcome Strathcona's objections. But arguing with one to whom you are indebted is like getting annoyed with a telephone—utterly useless. Cartwright reluctantly abandoned the project, and told the writer afterwards that he did not carry out his intentions because of Lord Strathcona's opposition. The influences at work to so effectively change departmental policy were inexplicable then, inasmuch as Sir Richard seldom turned back once having set his hand to the plough. Now the reasons are only too self-evident. Through the medium of this Will Lord Strathcona's dead hand has been stretched out to deface the memory of one upon whose shield there had been no stain.

The full extent of Lord Strathcona's influence with the Department of Trade and Commerce will never be known, but it was vastly more serious than in the matter already referred to. No steps whatever were taken by him to protect the Canadian public against the enormous increase in the freight and emigrant rates of the heavily subsidized Atlantic services controlled by the Canadian Pacific syndicate. The

co-operation of these companies renders the North Atlantic Combine effective, and the direct cost of the Combine to Canada is enormous. The recent doubling of the freight rates on grain and flour alone takes millions of dollars annually out of the pockets of the hard-working agricultural masses of the Dominion, before these products can reach the British market.

The debts that were owing to Lord Strathcona by responsible Ministers of the Crown in the Dominion, which he so calmly provided should be publicly announced in his Will, present a most extraordinarily interesting situation. The sordid significance of the matter, though, is painful. Students of British Parliamentary institutions may well be astounded at these revelations. Comparison in the administration of public affairs between the Colonies and the Mother-country are sometimes made. In the "possessions beyond the seas" there should be as high a conception of the proprieties of political life as at Westminster. In South Africa and the Antipodes it is so. The situation in Canada unfortunately is otherwise. The frank explanations and regrets that were considered necessary following the Marconi transactions will long be remembered. But what would be thought of the First Minister and Secretary of War borrowing money from Kynochs—of the First Lord of the Admiralty obtaining a loan from Armstrong-Whitworths—or the Postmaster-General from Signor Marconi—or the Chancellor of the Exchequer from the Tobacco Trust on the eve of a budget? Is it necessary to say that the nation would hang its head

in shame, honoured names would be buried in oblivion, and neither wealth nor position could protect the participating contractors and trusts from an indignant public. This also was the generally accepted standard of political life in the Dominion previous to the advent of Donald A. Smith into the Parliamentary arena at Ottawa.

It is perhaps interesting to note that the western prairie city, built on the site of the old headquarters of the Hudson's Bay Company, has no mention in Lord Strathcona's Will. There is nothing to mark his association with that great outpost of civilization, from whence the Company exercised such undisputed sway over scattered tribes of uncivilized Indians. The reason why Winnipeg was omitted, notwithstanding its needs for hospital and university extension, is not a secret. Winnipeg as a part of the electoral district of Selkirk, under the widened franchise, declined to elect Donald A. Smith as its representative to the Commons in 1880. Colonel Scott, a rough western diamond, contested the seat against the great railway magnate—and the people chose Scott.[1] The election in question was conducted under severe conditions. The other candidate was popular and a resident, and Donald A. was neither. This is not said in personal disparagement, because he was absent from the west a great deal, and he had other much more important matters in hand than endeavouring to curry favour with the shifting population of the new settlement.

[1] Appendix, 18.

Nearly thirty years have elapsed since then. Winnipeg has grown to be a city with a population of 125,000. Its citizens are not those of its early days, but the action of a place called Winnipeg was never forgotten.

As are the needs of Winnipeg, so are they of the western provinces. In the public schools of Winnipeg thirteen different nations or languages are now represented. Into that country people of every kindred, nation and tongue will flock for many years. They will require hospitals and colleges more than the thickly populated east. Perhaps the population in the distant future will read history and execrate the memory of those who opposed Donald A. Smith in 1880. In the meantime, however, the hundreds of thousands who have made their homes there in the last twenty years are witnesses to his munificent bounty in the United States, Britain, and eastern Canada. But the land which had been in truth to Lord Strathcona the Golden West, the land both of promise and of fulfilment, in which he had conceived his inspirations and cradled his ambitions—this land was not by his Will to have any of that stupendous fortune whose deepest foundations it had laid, and the corner-stone set when the rolling prairie laid bare her breast to the golden rivet which forged the last link in the girdle across the continent. Yet, his wish was that none of the wealth that this wonderful country had so freely poured into his outstretched hands should ever return to help her even in the hour of need.

The Winnipeg of a generation later amply atoned for the severity of its early judgment, and in 1909 gave Lord Strathcona a reception worthy of a monarch. An opportunity was afforded him of delivering the speech that was impossible so long as Archbishop Taché was alive. Yes, it may be argued, this is all true. But then a deputation interviewed him and pressed for a subscription for $1,000,000 (£200,000) towards the Selkirk Exhibition. It took the gloss off the good feeling of the hour. Lord Strathcona received the deputation most affably. He promised to consider their request, and, if convenient, he would let them know his decision on his return from the Rocky Mountains. But the time did not prove convenient—his private car came through Winnipeg at midnight, the hour when all good citizens should be in bed. The deputation that was at the station to see him had not been notified that he was coming, but they had taken their own means to keep informed of the hour of his probable arrival. There was no invitation to enter the darkened car with the closely drawn blinds. The coloured porter "could not possibly allow his Lordship to be disturbed." Perhaps it had begun to dawn on Lord Strathcona's mind that the welcome given to him had some connection with the request for a million dollars. It is quite true that behind the scenes there had been warm discussions as to how much the "Grand Old Man" could be induced to "cough up."

"Some one had blundered!"

XXX

What Donald A. Smith has cost Canada—Kingdom stolen from the public heritage—What might have been if . . .—Public obligations to be met—What the future will cost—The burden bearers—Strathcona's legacy to the Dominion—Ottawa and Westminster—Hope from Laurier and Borden.

THE cost to Canada of the influence that Lord Strathcona was able to exercise with parliaments, governments and statesmen, whereby the railway across the continent passed from being an asset of the Dominion into the possession of himself and his associates, is incalculable. The cash subsidies paid to the syndicate for the construction of the main line; special subsidies on branch, subsidiary and other subsidized railways absorbed by the syndicate; and the cost of the sections constructed by the Government and handed over to the syndicate amounts to more than $75,000,000 (£15,000,000). The land grants for the main line, and to other companies absorbed by the syndicate, will realize not less than $400,000,0000 (£80,000,000).

Add to these figures the subventions and subsidies to the other transcontinental railways that had at last to be constructed to compete with the Canadian Pacific, heavily subsidized in cash and guarantees, including the cost of the part of the Grand Trunk

Pacific constructed by the Government, and these items aggregate $600,000,000 (£120,000,000). The value of the land grants to these competing systems runs into $50,000,000 (£10,000,000).

These items aggregate in cash and land values the enormous sum of $1,125,000,000 (£225,000,000): more than the entire cost of the Boer War to the tax-payers of Great Britain. In the case of the Boer War Great Britain secured a United South Africa. The Dominion on the other hand has nothing but the satisfaction of knowing that the railways running through the country belong to others.

To this add the indirect cost to the general public by the imposition of exorbitant freight-rates upon the toiling masses on the prairie lands of the west, and the figures loom up in a haze where language fails to find expression in arithmetical calculations.

But that is not all. The land-grabbing that followed the adoption of the principle so energetically worked for by the syndicate, opened the door for the wholesale robbery of the public lands only then made possible. Sir J. A. M. Aikens, K.C., M.P., of Winnipeg, in a speech in the House of Commons, in the early part of May 1914, made the astonishing statement that no less than 43,000,000 acres, or 65,000 square miles of land, all in the fertile belt of the prairies, the finest wheat-growing land in the world, had been *given away* to railways and other corporations in the last thirty years.

This means that a territory nearly twice the size of Ireland, or an area larger than England and Wales, or greater than Belgium, Holland, Denmark and

Greece together, has passed out of the possession of the people of Canada for no return whatever to the public treasury. This may seem inconceivable, but it is absolutely true. The fact becomes more evident than ever, that if Donald A. Smith had never succeeded in getting possession of the charter for the Canadian Pacific Railway, this shameful sacrifice of an invaluable heritage could never have been made.

Had the Canadian Government expended the necessary part of the $600,000,000 (£120,000,000) represented in the form of cash and guarantees, as Alexander Mackenzie and the patriots who supported him loyally decided should be done, the Dominion would own to-day every mile of the three transcontinental lines. This calculation makes no allowance for the value of the land, free grants of which to corporations would not have been made, but the proceeds from which would be a national asset.

A statement of these facts is necessary to a history of the times to which reference is being made. It will be well for the present and future generations to calmly realize the consequences following injudicious, ill-advised, or corrupt handling of a national heritage. The people have not finished with the question yet. Lord Strathcona's syndicate will be the ever-present death's-head at the feast for many years. The account is far from being settled. More than one government will come and go before the bill is finally paid.

Enormous grants have been made to competitive transcontinental lines. But the wealth of the Canadian Pacific, so generously endowed by the public, gives

the railway a tremendous advantage over the others. It is well known that this line is able to earn a good dividend for its shareholders upon a schedule of rates which, if generally adopted, might seriously affect the financial position of the others; even though this is, to a certain extent, compensated for by the much easier grades and the larger train-loads that can be transported by the routes adopted on the later constructed lines. The general public interest will demand, however, that all invidious distinctions shall not be allowed to continue.

The Canadian Pacific has reduced its rates only when compelled to do so by Parliament, or by the Railway Commission. In the threatened action of the latter, the attitude of the Company was: "Do it if you will. We can stand it better than the others, and your securities will pay the difference on the London market."

The public must either pay the penalty in their financial dealings with London, or the farmers must contribute to the inflated rates for the delivery of their products to market-centres. There is no escape from one or other of these hard facts. And sooner or later this extraordinary situation will have to be faced by Parliament.

To allow present conditions to continue means that the hard-working agriculturists of the country—the class that should be encouraged rather than trodden underfoot—must bear the brunt of the burden. This is one of the great problems the syndicate has bequeathed to future generations in Canada to solve.

The west, with fifty or sixty members in the House of Commons, will swing the pendulum of political supremacy. No party lines will prevail. The greatest possible measure of relief will be demanded, and the demand will not be as a voice crying in the wilderness. One or two alternatives will have to be faced—to cancel in whole or in part the loans that have been made by the Government of Canada to the transcontinental companies competing with the Canadian Pacific, so as to place them all on a reasonably even footing; or secure Government control of these railways at an additional cost to the Dominion Treasury of from two to three hundred million dollars. In any case high courage will be demanded in the solution of this problem.

It may as well be acknowledged from the beginning that the wealthier corporation will not be allowed to absorb or control either of the transcontinental competing lines. A deal of such a nature would be disastrous to too many "vested interests." Public patience would then reach the breaking-point.

The odds are that the situation will be relieved by the abandonment of Government claims for loans or assistance to the new railways, combined with a far-reaching policy of protection to the producers of the country. The question, until it is permanently settled, will dominate Canadian politics more certainly than Irish interests control Westminster. Until it is disposed of the Dominion will be overshadowed by forces which threaten to sap the foundations of the liberty of the people. There is no escape to any

Government from the penalty of neglecting to face their responsibility in this matter.

The agricultural classes of the Dominion are the backbone of the country. Without the wealth that is gathered from the soil Canada would be bankrupt. Its hope for greatness is in its agricultural possibilities. But as a class the farmers are the least likely to have their interests considered by Governments and Parliaments in North America. For some unexplained reason the urban influence predominates. In European countries the agricultural population is looked upon as the bulwark of the state—the source of wealth, strength and future greatness. In every Parliament their requirements receive special consideration; Germany, France, Austria, Hungary, Holland, Denmark and Scandinavia telling the same story. The farmers are fast reaching the point when they must make themselves masters of the situation at Ottawa. When they do, the electors will have an opportunity of still further realizing the financial obligations that must be met on account of the wealth and privileges that their legislators in 1880 conferred on a remarkable syndicate of presumptuous "Empire-Builders."

Instead of the situation as it is, what might it have been had Donald A. Smith been thrown into ordinary commercial life in those stirring times that were taking place in Old Canada on his arrival, and in the subsequent years? Had he mingled with Papineau and Taschereau, Holton and Dorion, Mackenzie and Brown, Galt and Howe, perhaps he would have been moulded like one of them. How different would have

been the history of the last thirty years! What a heritage the Dominion would now possess! If, at times as he went his way, he found the chains galling that bound him to the course he was taking, he could comfort himself with the thought that they were one with the gold which was ever his lodestar. To call Lord Strathcona an "Empire-Builder" is a misnomer. If others follow in his footsteps they will be Empire-Wreckers.

With the passing of Lord Strathcona, the "last of the Mohicans," members of the original syndicate are not now identified with the railway. Two of the signatories to the agreement are still living,—J. J. Hill and Lord Mount Stephen. It is understood, however, that both long since parted with their shares. The time, therefore, seems opportune for an abandonment of the policy that was inaugurated by Lord Strathcona and his associates, and is still continued, to justify the active participation of the Montreal management in the general politics of the Dominion.

This legacy to Canada from Lord Strathcona presents serious aspects, the full meaning of which must sooner or later be thoroughly understood by the electorate. For thirty years the Canadian Pacific Railway has been a dominating force in the Parliamentary life of the Dominion. Senators and Members of the House have been publicly retained by this great corporation. Cabinet Ministers have borrowed large sums from individual members of the syndicate, which they were never asked to repay. The acquiesence of Parliaments and Governments to ever-recurrent demands of

railway lobbyists was, therefore, obvious. Directors of the company, having seats in Parliament, with most engaging candour and frankness, are listened to calmly while they argue in favour of, or in opposition to proposed legislation solely from the standpoint as to how the interests of the company will be effected. Compared with representative legislative chambers throughout the world, the situation in Canada has no parallel. It is inconceivable to any student of British Parliamentary institutions, either in Great Britain, New Zealand, Australia or South Africa. Yet Canadian statesmen, within the four walls of Parliament, and politicians outside, flatter themselves with the idea that their legislative procedure is modelled on the lines of Westminster. To an impartial observer the contrast is appalling! The slightest suggestion that a Peer was acting as the representative of any corporation, or that a commoner owed his election to the assistance or influence of a corporation or contractor in receipt of grants from the public treasury, or that a Cabinet Minister had borrowed large sums of money from anyone whose personal interests were involved in departmental favours, would ensure drastic action by both sides of the House. Political warfare in English public life is bitter, political affiliations are powerful, but the honour of Parliamentary representation overshadows every other consideration. The domination or influence of Parliament by corporations or contractors, whether earning public money or not, is regarded as absolutely incompatible with the dignity and purity of British public life.

If there is one national characteristic more prominent than another which impresses all visitors to Canada it is the ardent loyalty of the people. The opinion finds frequent expression that "Canadians are more loyal than the King." It is not a passing sentiment, but is an integral part of the national life. And, yet, what was said to the rich young man may be repeated to Canada, "One thing thou lackest." In this case it is an appreciation of the dignity and purity of parliamentary life. The Canadian people wish to follow in the footsteps of the Mother-country. With their lips, at least, looking towards Westminster, they repeat what Ruth said to Naomi: "Whither thou goest, I will go. Thy people shall be my people. Thy God shall be my God." But the national conscience has been seared as with a hot iron. This is the result of the sordid influences exercised in Dominion politics from the time the possession of the great transcontinental railway passed from the Government to the Canadian syndicate.

The immediate hope of freeing parliamentary life from such a legacy is threefold: the leaders of the two political parties, the British and European directorate of the Canadian Pacific Railway, and the large accession in recent years to the British-born population of the Dominion.

There is a slumbering force throughout the Dominion that will yet insist upon Government conforming to the loftiest British traditions. Sir Wilfrid Laurier and Sir R. L. Borden, in private life and public ideals, represent the highest aspirations of

political purity. They each have many influential followers who would gladly purge Parliament of every influence that is inconsistent with the honour and dignity of a healthy democratic administration. Whether they will co-operate or act independently on this question remains to be seen.

There may be justifiable disagreement with the political views of both Sir Wilfrid Laurier and Sir R. L. Borden, but there is none in regard to their political morality. Not a breath of scandal has touched their careers. In view of occasional warped judgment among followers, with whom each has had to associate, the wonder is that the outlook is not less favourable. An atmosphere that has, in a more or less degree, vitiated the political arena for thirty years, cannot be easily purified. It may, perhaps, only be altogether successfully accomplished by leaders yet unknown. But progress is being made in the right direction. Within a few years public opinion will demand the enactment of law, rendering election subscriptions from corporations and contractors indictable offences, and interference in parliamentary elections by managers of corporations that have been subsidized by the public treasury punishable with imprisonment. Canada will never have freedom of government until this is done. The Dominion Parliament will yet be free, and the time will come when no political leader will be strong enough to give a portfolio in his Cabinet to any public man who has accepted money from those having dealings with the public service.

If the British and foreign directors are wise they will not fail to insist that the unwarranted interference of this corporation in the political life of the Dominion shall cease.

Then, if neither of these influences can be successfully exercised, the hope of the Dominion rests with the one million British immigrants who have settled in Canada during the last fifteen years co-operating with the large leaven of Canadian honesty that has been untouched by corruption. The British immigrants know how untarnished is the parliamentary escutcheon of the Mother-country, and how carefully it has been protected for many generations. That they will desire that the land of their adoption should be marked by the ideals that have been reached through great tribulation in this country there should be no question.

If it happens that the people of Canada are only to secure a Parliament modelled upon British ideals as the result of public agitation, it may be taken for granted that the $10,000,000 (£2,000,000), that are freely alleged to have been taken from the corporation by the syndicate and those in charge of the management of the railway, to corrupt the public life of Canada, will find its way back to the innocent shareholders; just as surely as the British Parliament unanimously demanded the personal repayment of the £200 by the Directors of the London and North Western Railway, which they had subscribed from the company's funds for political purposes. The plea of "vested rights," or the Statute of Limitations, will not avail.

XXXI

A retrospect—The Hudson's Bay Company retarding Canada—Thirty years too late—Romance of Canadian life—Hope for the future—A fascinating personality—The records of irrevocable history.

THE Winnipeg of 1907 should have been in existence thirty or forty years earlier. Before Canada secured possession of the Hudson Bay Territory the national life of the country had been crippled from lack of opportunities for expansion. The farming population of the old provinces had reached the third generation, and they had to look around for new homes. It is the history of agricultural life in Canada, as well as in the United States, that the third generation produces the development of a character that necessitates either a larger area for cultivation than is available in the older settlements, or is inclined to go into town life. There was no room for such on the old homesteads, or in the neighbouring towns. To remain at home, and have the family property divided and redivided, meant limiting their capability and narrowing their aspirations. They, therefore, were compelled to look elsewhere. Many to whom these conditions applied were descendants of those United Empire Loyalists, who preferred, after the revolution (1775–83), to settle in the wilds of Canada,

rather than live under the flag of the new Republic; others were the descendants of the first immigrants from Great Britain; and Lower Canada also furnished a large quota of restless spirits for whom there was no room around the old firesides. The vast majority of these would rather have settled somewhere under the British flag. But there was no place available.

That portion of the North American continent under British control, which should have furnished homes for all of them, was then in the unrelenting grasp of the Hudson's Bay Company. They had kept it thirty years too long. An exodus began of the flower of the population from Canada to the United States. Once having started, like all such streams, it grew ever larger and larger, until it assumed proportions that were absolutely appalling. The latest official returns from the United States furnish the proof that no less than 1,250,000 native-born Canadians have homes in the Republic. Without question they are lost to the British Empire. They and their families at this moment number more than 6,000,000 souls.

Had there been no Hudson's Bay Company, or had the company not deliberately prevented the expansion of western Canada for so many decades after it should have been open to the world, the population of Canada would now be nearer twenty than seven millions. If the Stuart dynasty blighted English history, it also cast its evil spell over Canada at the time the Hudson's Bay Company was chartered. For the sake of the private interests of a few friends of

the monarch who wanted to traffic with a public franchise, an incalculable loss of millions of a sturdy race of people was inflicted on the Empire.

Canada has had its fair share of difficulties in the past. It has been struggling mostly, until now, with the necessaries of life. Romance and fancy have been largely left out of her category of good things. But these, with the other sides of intellectual life will, in course of time, assert themselves. There have been many men in Canada whose lives would furnish inspiration for poetry and romance. Away in the interior, in the lonely struggles of the early pioneers, there have been great deeds done, and these have left a heritage of good that is moulded into the very fibre of the people.

The country has not been without its hero-worship. That is inevitable wherever civilization exists. In the early days this was to be found in the memories of General Wolfe and General Brock. The one lost his life in winning a continent for the Empire, the other in saving it from the invaders' grasp half a century later. They were followed by the heroes of the "Family Compact"—a class modestly satisfied with securing for those within their own circle the offices of emolument at the disposal of the Crown, and who guarded the public lands, with an almost religious fervour, as a sacred heritage for those who might come after. Then came the heroes of the rebellion of 1837–39, out of whose great tribulation appeared the dawn of responsible government. The money-

making hero is now prominent in Canadian life. The whole community vibrates with earnestness before the shrine of wealth. The charm of success has appealed to these sober people, who know the struggle and toil only too well, and who are everywhere called on to judge the value of the much by their own hard-earned little.

It was only in the later days that land-grabbers and charter-hunters appeared. No one envies either their positions or their riches, but the time has come when they shall not continue to lay unholy hands on the ark of the covenant—for such is the government of the country. Ever to have introduced methods into a young country tending to lower the standard of political life is a serious offence—to have persisted on that line for a quarter of a century is criminal. A young country, like a youth entering upon the responsibilities of manhood, has nothing equal in value to a true discrimination between right and wrong. Once weaken that moral sense and the responsibility is serious—to continue the destroying influence, and no palliation can be offered for such a crime. Parliaments were created to wrench from Crowns the control of public interests that were being exercised for personal gain. They were never intended as media for the creation of private wealth.

In Canada, Parliament has been used for the most improper purposes, under the most extraordinarily demoralizing influences that ever became operative among a free people. The Donald A. Smith syndicate

is entirely responsible for this state of affairs. To rid itself of the accumulated evils in the body politic, resulting from the continual prostitution of a legislative body which had been left without a single blemish by the earlier statesmen of the country, is the problem now to be solved in Canada.

" How we can only wait till the day, wait and apportion our shame.
These are the dykes our fathers left, but we would not look to the same.
Time and again we were warned of the dykes, time and again we delayed,
Now it may fall we have slain our sons as our fathers we have betrayed.

Walking along the wreck of the dykes, watching the work of the seas,
These were the dykes our father made to our great profit and ease.
But the peace is gone and the profit is gone, and the old sure day is withdrawn . . .
That our house shows so strange when we come back in the dawn."

KIPLING: *The Dykes.*

APPENDIX

1. COMMITTEE of the House of Commons, 1874, *re* North-west Rebellion.

2. Resolution proposed by Hon. L. S. Huntingdon, charging Ministers with receiving money from Sir Hugh Allan in consideration of the charter for the Pacific Railway, 1873. Committee of Inquiry by the House of Commons, and Royal Commission issued by the Governor-General.

3. Steenerson *v.* Great Northern Railway, 69, Minnesota, 372, by Judge Canty—

> "Of the lines of railway here in question, 565 miles were built and owned by other railroad companies prior to the foreclosure sales of 1879. At one of these sales the promoters of the St. Paul, Minneapolis and Manitoba Railway bid off a part of the property (for $1,500,000 as shown in the court records of St. Paul) and the company itself after it was organized bid in the rest of the said property. These properties, the franchise connected with the same, and a large land grant earned and to be earned, were bid off for the aggregate sum of $3,600,000, subject to a prior lien of $486,000. The promoters transferred to the new company the part bid in by them, and the properties were immediately bonded by the new company for $16,000,000, and it issued to the promoters its stock to the amount of $15,000,000."

4. Extract from the *Hansard* of the House of Commons, filed in the Library of the Colonial Office, Downing Street—

House of Commons, Friday, May 10, 1878.

The Speaker took the Chair at twenty minutes to three o'clock.

Prayers

QUESTION OF PRIVILEGE

MR. SMITH (Selkirk): I rise to a question of privilege. I notice by one of the public prints of Ottawa that the Right Hon. member for Kingston (Sir John Macdonald)—has spoken of me in this House in a manner which, I think, I can characterize as most unfair and most unjustifiable. I will read what is stated in the *Free Press*. It is as follows—

> "A brief but violent discussion arose over the action of the Senate with regard to the Pembina Branch. The Premier severely criticized the conduct of the Senate in throwing out this Bill, and was followed by Sir John A. Macdonald, who insinuated that the Bill was merely an arrangement by which the Government could reward a Member of the House for his servile support, and that this member had been compelled to admit in the House that he was interested in this monopoly."

In the first place I say I never did make such an admission in this House to the hon. gentleman, and even had I done so, I think that the hon. gentleman had no right to speak of me as he did on that occasion. Whatever I have done in this respect I have done in the most open manner possible. When it was found that others could do nothing in the way of getting better railway facilities and completing the railway connection with Manitoba, I certainly, as Member

from that province, did my utmost to effect that. And, as I said on another occasion in this House, for two or three years back I have laboured earnestly to that end in connection with some friends, and no sooner did it become possible to get that which was so much required—indeed an absolute necessity for the country—than the hon. gentleman and his friends put every obstacle in the way of its being carried out. He comes down to this House and says that the Government are actuated by unworthy motives in proposing to make running arrangements with the St. Paul and Pacific Company over the Pembina Branch and that it was their intention to reward me in this way for my servile adherence to them. Now, I would like to ask the hon. gentleman the member for Kingston and any other member of his Government, if on any occasion they found a disposition on my part to ask or receive any favour from the Government, either for myself or for that corporation which has been so much spoken of and which I have had the honour of representing—that is the Hudson's Bay Company. I would ask the hon. member if I have received one sixpence of public money or one place, either for myself or any other person connected with me, and if at this moment there is one single person related to myself who receives one sixpence of the public money; and I would ask the hon. member if this is so with all those who may have claims upon himself. But perhaps it would not be very generous to refer to these matters particularly.

SIR JOHN A. MACDONALD: Refer to what?

MR. SMITH: This is——

SIR JOHN A. MACDONALD: What would it be ungenerous to refer to?

MR. SMITH: I mentioned that there was not one relative of mine who drew one sixpence of the public money, who held any place in the public service, and

said, perhaps, it might be otherwise with those connected with and related to the Right Hon. Gentleman.

SIR JOHN A. MACDONALD: Hear, hear.

MR. SMITH: Not that there would be anything wrong even if it were so, as regards the hon. gentleman's friends, but I say I always desired to keep myself entirely free and independent with regard to these matters of one government or of the other government. I would ask the hon. gentlemen on this side of the House if I have desired any favour for myself or anything for any one except for such of my constituents as have applied to me for places under the government; and I ask, further, if, on any one occasion, where I have recommended a single individual for any place, or any position, or any appointment, I have done so without the saving clause that it was conditional on his being found in every respect well fitted for it, both as to character and ability. This unwarrantable attack of the Right Hon. gentleman is but a continuation and repetition of what he and his friends have been saying of myself, both inside and outside of this House, for some time back. The hon. gentleman who sits on his left, the hon. member for Cumberland (Dr. Tupper), has not been slow to use my name, as I find by another public print. I find that the hon. gentleman says—— I think it was at what is called the Orangeville Picnic. I know very little of these picnics, I have not followed them closely, nor indeed have I followed them at all. I was otherwise I trust honestly and more properly occupied in the pursuit of my duties.

SIR J. A. MACDONALD: More profitably engaged, no doubt.

MR. SMITH: I trust so—more profitably and more properly. I find that the hon. gentleman, the member for Cumberland, says here, speaking of certain names that were given in the *Globe* of those

who did not support the Right Hon. gentleman at a critical moment in 1873——

MR. TUPPER: Mr. Speaker, I rise to a question of order.

MR. SMITH: It will be remembered that——

MR. SPEAKER: A question of order is raised.

MR. TUPPER: I rise to a question of order, and I put it to you, whether it is not an abuse of the right to read from a newspaper, for the hon. gentleman has had that speech here during the three months that we have been in session, and to speak at the moment when Black Rod is coming to the door, and thus to shelter himself from the answer which he would otherwise get.

SIR JOHN A. MACDONALD: And the punishment he would otherwise get.

MR. SMITH: I have had no such opportunity.

MR. TUPPER: A more cowardly thing I have never seen ventured on in this House.

MR. SMITH: I am not surprised at this from the hon. gentleman.

MR. TUPPER: Anything more cowardly I have never heard of. I am responsible for every word I have uttered on the platform. I have sat here for three months, and no reference had been made to this by the hon. gentleman or anybody else——

SOME HON. MEMBERS: Order.

MR. TUPPER: Neither the hon. gentleman——

SOME HON. MEMBERS: Order.

MR. TUPPER: Nor any other hon. gentleman——

SOME HON. MEMBERS: Order.

MR. TUPPER: Has ventured to challenge one word I have uttered during the recess of Parliament.

MR. SMITH: The charge of being a coward I throw back on the hon. gentleman.

SIR JOHN A. MACDONALD: Let the poor man go on.

MR. SMITH: The hon. member for Cumberland said—

"He would give his hearers the names mentioned by the *Globe* as having left because of the Pacific scandal. It would be remembered that the Government of that day had a majority of from twenty-five to thirty in 1872, and in order to gain a majority, the Opposition had to take half of them away. How many of them did the *Globe* mention? Would his hearers believe it? THREE. But they who did suppose were paraded before the people in that connection? He would read their names. For what purpose did Mr. Glass, Hon. D. A. Smith, and Colonel Ray, not to mention others—all men who had supported Sir John A. Macdonald in the first session of 1873—desert Sir John but for his conduct in connection with the Pacific scandal? Then they said Hon. D. A. Smith. Did the *Globe* suppose the people of Canada had no memories, and they that did not know that Hon. Mr. Smith gave unqualified evidence that the Canadian Pacific Railway had nothing to do with his changed attitude towards Sir John A. Macdonald? Mr. Smith was a representative of the Hudson's Bay Company and he had been pressing a claim on his Right Hon. friend for public money; Sir John had been holding back, and Mr. Smith came to the conclusion that it would be just as well to jump the fence if there was to be a change of Government. But Mr. Smith was a canny man; he held back and sat on the fence and watched the course, certainly not in the interests of his country, because he did not want to jump too soon and find that he had jumped into a ditch. But, when he came to the conclusion that the Government was going out, he made the bolt, and he (Dr. Tupper) had no doubt but that he had had a great deal of reason since for congratulating himself on having jumped as he did."

MR. SMITH: That is the insinuation, the broad assertion, made on the part of the hon. member for Cumberland at his picnic, and reiterated here, and I give it the most positive denial, and say that never was anything received by me or desired by me from the present Government any more than from the former Government. What are the particulars of this affair of 1873, as regards myself? Does the hon. gentleman not know? And does not the Right Hon. gentleman know, too, that members of the late Government approached me before the eventful 4th of November, and that they wished to sound me and know how I was going to vote in this matter; and that, some days in advance of that time, I was requested to meet the hon. member for Charlevoix in the Speaker's room, and did meet him there? And do they not know that an hon. gentleman from the other House, the Hon. Mr. Campbell, a gentleman for whom I have a very high respect personally, also met me there, and that to both these gentlemen during a long interview, at which was present also another gentleman who was then likewise a member of this House—Mr. Nathan, a personal friend of mine—I declared that I could not vote for the amendment to the amendment that was even offered by Mr. Macdonald of Pictou? Do they not know I said: "No, I cannot do so; I cannot possibly do so; I cannot conscientiously do so."

MR. TUPPER: Does the hon. gentleman deny——

SOME HON. MEMBERS: Order.

MR. TUPPER: That he telegraphed down here——

SOME HON. MEMBERS: Order.

MR. TUPPER: That he would be here and support the Government——

SOME HON. MEMBERS: Order.

MR. TUPPER: After he knew everything about the Canadian Pacific Railway affair? Does he deny that?

MR. SMITH: I do deny it. I never telegraphed I would be here and support the Government. Never, never. I know that the Right Hon. gentleman wrote me, asking me to come down, but the hon. gentleman cannot say—dare not say—I ever telegraphed I would support the Government, and no other hon. gentleman can say so.

SIR JOHN A. MACDONALD: I will tell you what I can say.

SOME HON. MEMBERS: Order.

SIR JOHN A. MACDONALD: I telegraphed the hon. gentleman.

SOME HON. MEMBERS: Order.

SIR JOHN A. MACDONALD: He dare not listen to an explanation.

MR. SMITH: On the occasion referred to in the Speaker's chamber, I said that I could not support the Government, but I offered and proposed that there should be another amendment, and a very different one: that is, the Government should frankly confess their fault to the House, and then, if the country condoned it, and Parliament condoned it, it would be a very different thing. That is what I proposed to the hon. gentleman, and this was reduced to writing at the time.

MR. TUPPER: That——

SOME HON. MEMBERS: Order.

MR. TUPPER: Is not what you telegraphed.

SIR JOHN A. MACDONALD: Hear, hear.

MR. SMITH: The hon. gentleman is altogether in the wrong. I telegraphed simply in courtesy in reply to a letter that I would be in Ottawa by the 23rd October. I saw the Right Hon. gentleman himself in one of the rooms. He sent for me. Mr. Mitchell came and informed me that the hon. member for Kingston desired to see me; and let me say to Mr. Mitchell's credit, that he has got up in many an

assembly where I have been and said I was perfectly justified in doing as I did, as Mr. Mitchell knew all the circumstances.

SIR JOHN A. MACDONALD: I am sure he did not.

MR. TUPPER: Will the hon. gentleman name——

SOME HON. MEMBERS: Order.

MR. TUPPER: One single meeting where Mr. Mitchell ever made such a statement anywhere, and where the record of it is to be found, except out of the hon. gentleman's own mouth——

SOME HON. MEMBERS: Order.

MR. SMITH: I could do so.

MR. TUPPER: And that goes for a very little in this House or out of it.

MR. SMITH: I can bring forward a number of gentlemen of high respectability, whose word will be taken all over the country and all over the world.

MR. TUPPER and HON. MEMBERS: Name, name. Where, where?

MR. SMITH: I could mention a dozen.

SOME HON. MEMBERS: Name.

MR. SMITH: A dozen most respectable men in Montreal, and some in Ottawa, too.

SOME HON. MEMBERS: Name.

MR. SMITH: A dozen of them.

MR. TUPPER: I never heard of these meetings and statements.

MR. SMITH: And if necessary I am prepared to do so at another time. On the occasion spoken of, I did see the hon. gentleman in the room. I think it was No. 6 or 5, and the hon. gentleman then did try to persuade me to vote for him, but the hon. gentleman will not dare to state I said I could support him; and what did the hon. gentleman say to me then at length——

SOME HON. MEMBERS: Order.

MR. SMITH: He said, "If I am not supported now

I will appeal to the country." The Right Hon. gentleman during the present session spoke of Selkirk —the constituency I have the honour to represent— as being a rotten borough, an Old Sarum, but in speaking to me as he did on the evening of that 4th November, he must have counted on the whole of Ontario being one great rotten borough, a veritable Old Sarum, and he said that if he appealed to it he could have Ontario to a man with him.

SOME HON. MEMBERS: Hear, hear.

SIR JOHN A. MACDONALD: There is not one single word of truth in that statement—not one single word of truth. The hon. gentleman is now stating what is a falsehood.

MR. ROCHESTER: How much did the other side offer you?

MR. SMITH: The hon. gentleman says he did not say so; certainly, the spirit within him said it; for the words came out of the hon. gentleman's mouth.

SOME HON. MEMBERS: Order.

MR. SMITH: If he did not say so, the spirit within him did. These words were uttered by the hon. gentleman.

SIR JOHN A. MACDONALD: They were not uttered by me.

SOME HON. MEMBERS: Order.

SIR JOHN A. MACDONALD: They were not uttered by me.

MR. SMITH: They were as surely as the hon. gentleman and I are here.

SOME HON. MEMBERS: Order.

MR. SMITH: The hon. member for Cumberland the same evening told me that the Right Hon. gentleman was not capable of knowing what he said; and will he deny——

SOME HON. MEMBERS: Order.

MR. SMITH: The hon. member for Cumberland said next morning——

SOME HON. MEMBERS: Order.

MR. TUPPER: Mr. Speaker, I rise to a question of order, and I want to ask you whether it is competent for any hon. gentleman to stand up in this House and detail what he himself admits are private conversations. Is it competent for a man to detail private conversations while falsifying them?

SOME HON. MEMBERS: Order.

MR. TUPPER: And his word passes for nothing here or elsewhere.

SOME HON. MEMBERS: Order.

MR. TUPPER: I have never witnessed such——

SOME HON. MEMBERS: Order.

MR. TUPPER: Cowardly abuse of——

SOME HON. MEMBERS: Order.

MR. TUPPER: Of the privileges of this House, as for an hon. gentleman to be guilty of making a speech when there is no possibility of a reply being made to it.

MR. SMITH: The hon. gentleman——

MR. SPEAKER: The hon. gentleman is defending himself against a very grave charge made against him.

MR. SMITH: The relating of private conversations may be held to be very improper, but it is not unparliamentary.

MR. TUPPER: I do not complain of the relating of private conversations; I complain——

SOME HON. MEMBERS: Order.

MR. TUPPER: I complain of the hon. gentleman falsifying private conversations and detailing that as a conversation which he knows to be falsified.

MR. SMITH: I do not look upon them as private conversations and I give the exact truth. I was sent for as a member of the House by the gentleman at that time the head of the Government, and he——

SOME HON. MEMBERS: Order.

MR. SMITH: Endeavoured to get me——

MR. TUPPER: Will the hon. gentleman——

MR. ROCHESTER: They could not give you enough.

MR. SMITH: Will he deny that the next morning when I met the hon. gentleman here, who is on the other side——

SOME HON. MEMBERS: Give——

MR. SMITH: At Mr. Tupper's office when he was Minister of Customs. Will he deny he said to me that as soon as it was possible to make the Right Hon. gentleman to understand right from wrong, or to that effect——

MR. TUPPER: The hon. gentleman has asked if I will make a statement.

SOME HON. MEMBERS: Order.

MR. TUPPER: I tell him that if he will allow me five minutes——

SOME HON. MEMBERS: Order.

MR. SMITH: Only for an apology.

MR. TUPPER: I will show that the very first statement he commenced with to-day——

SOME HON. MEMBERS: Order.

MR. TUPPER: The statement that he never sought a favour from the late Government——

SOME HON. MEMBERS: Order.

MR. TUPPER: Is as false a statement——

SOME HON. MEMBERS: Order.

MR. TUPPER: As ever issued from the mouth of any man, and he has continued——

SOME HON. MEMBERS: Order.

MR. TUPPER: With a tissue——

SOME HON. MEMBERS: Order.

MR. TUPPER: Sir, of as false statements as were ever uttered——

SOME HON. MEMBERS: Order.

MR. TUPPER: By any man.

SOME HON. MEMBERS: Order.

MR. TUPPER: That is what I will show him.

MR. SMITH: I never asked, prayed for, desired, or got a favour from the late Government.

MR. TUPPER: Will the hon. gentleman allow me to tell a favour he asked for?

SOME HON. MEMBERS: Order.

MR. TUPPER: The hon. gentleman begged of me to implore——

SOME HON. MEMBERS: Order.

MR. TUPPER: The leader of the Government to make him a member of the Privy Council of Canada.

SOME HON. MEMBERS: Order.

MR. TUPPER: That is what he asked for, and he——

SOME HON. MEMBERS: Order.

MR. TUPPER: Was refused; and it was the want of that position, and that refusal, which, to a large extent, has placed him where he is to-day.

SOME HON. MEMBERS: Order.

MR. SMITH: The hon. gentleman knows that he states what is wholly untrue, and, driven to his wits' end, is now going back to a journey he and I made to the North-west in 1869, and I give the most positive denial to any assertion made by him or any other person, that I asked for or desired any favour from the Government.

THE SERJEANT-AT-ARMS: Mr. Speaker, a message from His Excellency the Governor-General.

SOME HON. MEMBERS: Order.

MR. SMITH: I now——

MR. SPEAKER: I have very much pleasure in informing the House that it now becomes my duty to receive the messenger.

SOME HON. MEMBERS: Order.

MR. SMITH: He knows——

MR. TUPPER: Coward! Coward! Sit down!

MR. SPEAKER: I——

MR. SMITH : He knows——

SOME HON. MEMBERS : Order.

MR. TUPPER : Coward ! Coward ! Coward !

MR. SMITH : You are the coward.

SOME HON. MEMBERS : Order.

MR. SMITH : Nay, further, there were two gentlemen, members of this House——

SOME HON. MEMBERS : Order.

MR. SMITH : The day after that 4th of November——

MR. TUPPER : Coward ! Coward !

MR. SMITH : Who came to me with a proposition to throw over the Right Hon. gentleman and the present member for Charlevoix, if I would consent to give up the position I had deemed it my duty to take in the House the evening before, and would support the Government by voting against the amendment of the hon. member for Lambton.

SOME HON. MEMBERS : Order.

MR. TUPPER : Mean, treacherous coward !

MR. SMITH : Who is the coward, the House will decide—it is yourself.

MR. TUPPER : Coward, treacherous——

MR. SMITH : I could not support them.

MR. SPEAKER : Admit the messenger.

SIR JOHN A. MACDONALD : That fellow Smith is the biggest liar I ever met.

A Message from His Excellency the Governor-General, by the Gentleman Usher of the Black Rod—

" MR. SPEAKER—

" His Excellency the Governor-General desires the immediate attendance of this Honourable House in the Senate Chamber."

Accordingly, Mr. Speaker, with the House, went up to attend His Excellency.

5. Journals of the House of Commons, December 9th, 1880.

The Dominion Contraverted Elections Act, 1874.

Election of a Member of the House of Commons of Canada for the Electoral District of the County of Selkirk in the Province of Manitoba, holden on the 19th and 26th days of September, 1878.

Between—

David Young and Archibald Wright,
(Petitioners), Appellants,
and
Donald Alexander Smith,
(Respondent), Respondent:

It appearing from the reading in the above cause transmitted to this Court that the Honourable Mr. Justice Betourney rendered judgment in the said cause on the 11th day of October, A.D. 1879, whereby it was adjudged and determined that the said Petitioners had not proved any of the allegations of the said Petition, that the said Election was and is valid, and the said Donald Alexander Smith was duly returned and elected to represent the said Electoral District in the said House of Commons, and the said Appellants having appealed from the said judgment to this Court, which said appeal was by notice given by the said Appellants pursuant to the Statute on that behalf, limited to the following specially defined questions or cases:—

1. The case of Donald Alexander Smith as briber, and John F. Grant as bribée, and numbered 13 in the particulars of the allegations contained in the Petition herein.
2. The case of James Penrose as briber and Henry King as bribee, as numbered 14 in the particulars of the allegations contained in the Petition herein.

3. The case of Elias George Cocklin as the person hiring teams, and John Henry Mason as the person from whom the said Elias George Cocklin hired the teams as contained in paragraph 1 in the particulars of the allegations contained in the Petition herein.
4. The case of Donald Alexander Smith and Henry Blanchard bribers, and Jean Baptise Lapointe, Elzear Lafemodière, Louis Deschambault, L.J.A. Laveque, J.A.N., Provencher, Alexander Begg and A. F. De Gauthieras bribers, and numbered 26 in the particulars of the allegations contained in the Petition herein.

And the said Appeal having come to be heard before this Court on the 12th and 13th days of May, 1880, in the presence of Counsel as well for the Appellants as the Respondent, this Court was pleased to direct that the said Appeal should stand over for Judgment, this Court did order, judge and determine, that the said Appeal should be and the same was allowed with costs to be paid by the said Respondent to the said Appellants.

And the Court did order, adjudge and determine as follows:—

1. That the said Donald Alexander Smith was not duly returned or elected, and the said Election was void.
2. That so far as appeared by the said Appeal, limited as aforesaid, no corrupt act has been proved to have been committed by or with the knowledge or consent of any candidate at such Election.
3. That the said Elias George Cocklin, an agent of the said Respondent at the said Election, did hire a certain team and vehicle to carry voters

to the Poll or to the neighbourhood thereof, and did pay one Mason for the hire of such his team for the purpose of conveying to the Poll or the neighbourhood thereof at the said Election, whereby the said Elias George Cocklin offended against the 96th section of the Dominion Election Act, 1874, and under the 98th section of the said Section 96, which wilful offence is acclaimed to be a corrupt practice within the meaning of the said Act.

4. That so far as appears by the said Appeal limited as aforesaid, corrupt practices were not, nor is there reason to believe that corrupt practices have extensively prevailed in the said Election.
5. That the sum of one hundred dollars deposited by the said Appellants as security for costs of said Appeal be returned to them.
6. That the original record in the above cause be transmitted by the Registrar of this Court to the proper officer of the Court below from whom the same was received.

Certified.

ROBERT CASSELS,

Registrar of the Supreme Court of Canada.

To the Hon. J. G. Blanchett,
Speaker of the House of Commons of Canada,
Ottawa.

6, 7, 8. *Hansard*, House of Commons, December 1880.

9. *Hansard*, House of Commons, p. 107, 1880.

10. Sir Hugh Allan's charter, Statutes 1872, provided for a grant of $30,000,000 (£6,000,000), and 50,000,000 acres of land, to be allotted in alternate blocks along the entire length of the railway from Lake Nipegon to the Pacific coast. The grant in the

prairie section would have been about 15,000,000 acres along the railway line. The Canadian syndicate received in cash and in the completed portions of the railway, $55,000,000 (£11,000,000), and 25,000,000 acres of selected land in the fertile belt of the prairies.

11. Mr. George Stephens, letter to the Prime Minister, January, 1893, Sessional Papers, 223*a*, 1883.

12. No. 879, Interstate Commerce Commission, City of Spokane *v.* Northern Pacific Railway Company.

13. Anglo-Persian Oil Company statement in the House of Commons, May 1914, by Mr. Pretyman, M.P., "Lord Strathcona holds £1,000,000 of the Ordinary Stock of the Company." Extract from letter from Mr. Pretyman, June 20, 1914:—

> "The sum which Lord Strathcona invested in the Persian Oil Company was £50,000. There is really nothing more to tell about his connection with the Persian Oil Company. What I said in the House of Commons pretty well covers the ground."

14. *Hansard*, House of Commons, December 17th, 1880.

Sir Richard Cartwright: We must swallow it whole . . . lest the people of Canada come too soon and too quickly to the conviction that their rights were being trampled on and their property wasted. . . . This Bill, in every important clause, every important feature, appears to have been so drawn to offend every honest instinct, every wholesome prejudice, of every important class from one end of the Dominion to the other. . . . We see wise and experienced business men asking themselves whether the name of the Minister of Railways, which I see upon the last page of this document, really means the agent of the party of the first part, or the agent of the party of the second part. . . . I don't care which of my

three hypotheses you adopt, whether you say that these honourable gentlemen (the Government) were, as in my first hypothesis, crazy; or in my second, bought; or in my third, sold. Possibly there may have been a little of all three.

15. On the eve of the election in the Province of Quebec the following pledge was demanded from candidates for the House of Commons by Bishops of the Catholic Church—

> "The Laurier-Greenway settlement of the Manitoba Catholic School Act having been judged to be unacceptable on the authority of the Bishops, I solemnly pledge myself, on my faith and on my honour, without restriction whatever, if I am elected member, against the settlement, or against any other which shall not have been accepted by the same religious authority, according to the terms of the constitution of Manitoba, and the judgment of Her Majesty's Privy Council.
>
> "As a devoted son of the Catholic Church, I pledge myself to absolutely prohibit all who act for me in the present electoral campaign, whether on the hustings or in conversation with the voters, to utter one word in favour of the Laurier-Greenway settlement, because it has not been accepted by religious authority. Therefore I have signed this pledge to the satisfaction of Monseigneur the Bishop of ——, in the presence of Rev. —— and Rev. ——, who have signed with me."

16. *Memorial from Canadian Liberals to Rome.*

"To His Holiness, Leo XIII.

"Most Holy Father—

"We, the undersigned, members of the Senate and House of Commons of Canada, and representing

therein the Liberal party, present ourselves before Your Holiness as respectful and devoted children of Holy Church, to complain of the existence of a state of things, which if allowed to continue, must be extremely dangerous to the constitutional liberties of this country, as well as to the interests of the Church itself.

"Your Holiness has already been made aware of the conduct and attitude of certain prelates and of certain members of the secular clergy who, during the general election in this country in the month of June last, intervened in a violent manner in restraint of electoral freedom, taking sides openly for the Conservative party against the Liberal party, and going so far as to declare guilty of grievous sin those of the electors who would vote for the Liberal party.

"Sincerely attached to the institutions of our country which ensure to us Catholics the most complete liberty, we respectfully represent to Your Holiness that these democratic institutions under which we live and for which Your Holiness has many times expressed sentiments of admiration and confidence, can only exist under perfect electoral freedom.

"Far be it from us to refuse the clergy the plenitude of civil and political rights. The priest is a citizen, and we would not for a single instant, deprive him of the right of expressing his opinion on any matter submitted to the electorate; but when the exercise of that right develops into violence, and when violence in the name of religion, goes to the extent of making a grievous sin of a mere political act, there is an abuse of authority of which the consequences cannot but be fatal, not only to constitutional liberty, but to religion itself.

"If in a country such as ours, where a population consisting of persons of various creeds, and wherein the Protestant denominations are in the majority,

Catholics did not enjoy, in all matters relating to legislation, the same political freedom as their fellow-countrymen, they would *ipso facto* be placed in a position of inferiority, which would prevent them from taking the legislative part which they are entitled to take in the government of the country, with the possibility, moreover, of conflicts between the various groups of the population which history shows to be ever fraught with danger.

"Then again, an active and violent intervention of the clergy in the domain of political questions submitted to the people must, of necessity, produce against the great mass of the Catholic population a degree of criticism, manifestly prejudicial to that respect which religion and its ministers should ever inspire and command.

"Some twenty years ago His Holiness Pius the IX, Your illustrious and lamented predecessor on the Pontifical Throne, acting through the Sacred College of the Propaganda, deemed it his duty to put a stop to certain abuses of a similar character, and forbade the intervention of the clergy in politics. This prohibition was generally respected so long as His Eminence Cardinal Taschereau was able to guide the Church in Canada; but since old age and infirmities have paralysed his guiding hand, the abuses to which Your Illustrious predecessor had put a stop, have begun again, and threaten once more to create trouble among us and to compromise, not only Catholic interests in this country, but the peace and harmony which should exist between the various elements of our population.

"Again affirming our absolute devotion to the faith of our fathers and to the Church of which you are the Supreme Head; affirming our respect and attachment for the person of Your Holiness; our attachment to the interests of our country and to the Crown of Great Britain, its ægis and protector, we beg that Your Holiness will renew in our behalf the most wise

prescriptions and prohibitions of Your Illustrious predecessor; protect the consciences of the Catholic electorate, and thus secure peace in our country by the union of religion and liberty—a union which Your Holiness has many times extolled in those immortal encyclicals whose precious teachings we desire in all things to follow; and, lastly, grant to the children of the Church now addressing Your Holiness the Apostolic Benediction.

"(Signed by Wilfrid Laurier and forty-six members of the Senate and House of Commons.)

"*Ottawa, Canada,* 1896."

17. *Hansard*, House of Commons, p. 239, March 30, 1897.

HON. MR. TARTE (Minister of Public Works): The First Minister of this country (Hon. Wilfrid Laurier) was accused in Rome to the Papal authority of being a Freemason. Five Bishops went to Rome and several of them accused the Liberal party with being an anti-religious party. But they did something more. They said at the head of affairs was a bad Catholic, while at the head of the Opposition was a very pious man indeed, and of course it was better to replace that very bad Catholic by that most pious man.

MR. CASGRAIN: Do I understand the honourable gentleman to accuse the five Bishops who went to Rome, or any of them, of having said that the First Minister of the Dominion was a Freemason or a bad Catholic?

HON. MR. TARTE: The Bishop of Chicoutimi was interviewed a few days ago, and in the public Press he stated that he had himself told the Papal authorities that Wilfrid Laurier knew so little about religion that he did not expect anything else from him but neutral

or godless schools. I say on my responsibility here that some of the Bishops told the Pope himself and the Propaganda that the honourable gentleman who is at the head of affairs to-day is a very bad Roman Catholic. The Papal Delegate is my witness."

18. At the General Elections in September 1878 the result of the voting was—

Donald A. Smith	555
Hon. A. Morris	546
Maj. for D. A. Smith . . .	9

Through the election having been declared void by the Supreme Court reversing the judgment of the trial judge, a bye-election was held September 10, 1880, resulting as follows—

Colonel Scott	735
Donald A. Smith	577
Maj. for Col. Scott . . .	158

19. File 257, 1893, Supreme Court of the United States.

20. Joint Stock Companies, 1914, Canadian Pacific Railway—

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